

**SUBMISSION TO THE REVIEW OF AUSTRALIAN HIGHER  
EDUCATION**

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**from**

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## Introduction

I first took an interest in the attitudes and structures of tertiary educational institutions when I served on the Senate of the University of Western Australia in the middle to late 1970's. This became a serious activity when I was appointed as CEO of the Western Australian Institute of Technology in 1980 and then led the changes that created Curtin University of Technology in 1987. During this time I was privileged to serve on many public authorities and reviews that debated, reported and recommended on many of the questions that lie at the foundation of the current inquiry. Any one of those reports would be useful to those currently asked to establish a more creative and innovative Australia using a graduate workforce. In truth, Australian governments have a pretty poor record in adopting independent advice. Too much attention is given to special interests and to conservative bureaucratic advice that so often reflects self-interest.

By far the most exhilarating work in which I participate was done under the umbrella of the Australian Science and Technology Council (ASTEC), a remarkably independent body within the structure of the Prime Minister's Office. ASTEC produced compelling reports that were variously put aside by a variety of interests including many of the current Commonwealth bureaucracies such as those in the Treasury, education and industry, by the universities themselves and to some extent by academic unions. In the end, it was these same interests that engineered the end of ASTEC with its functions eventually taken into the Commonwealth's bureaucratic structure. The same fate previously befell the Commonwealth Universities' Commission whose independence was lost not because of its failures but because its ideas challenged political and bureaucratic interests.

My last serious attempt to change the culture from within was when, after moving to Bond University, I was asked by the Honourable John Dawkins to serve on his review of Higher Education as a member of a group that became known as the "Purple Circle". The initial report seeking public comment had some merit but its ideas died in the hands of the Canberra bureaucracies. Eventually, legislation known as the "Dawkins' reforms" emerged. These reforms allowed institutions to survive through difficult times but in the end, simply consolidated bureaucratic control over all our universities.

The current inquiry no doubt follows, in part, from the Commonwealth Government's view that university graduates in Australia do not understand or endorse the cultural attitudes that are the prerequisites of creativity, entrepreneurship and innovation.

I am not submitting this statement as an argued dissertation but rather as a statement of spirit about the future of education that must be embraced if our government is to create change in keeping with its aspirations. The current government has talked about the need for Australia to be more innovative and to embrace the risks that real change demands. Normally, governments fail to endorse risk through fundamental changes in policy because perceived failure is a political risk critical to their grip on power. The risk-taking that fundamental change requires dies in the hands of bureaucracy and self-interest.

## The Illness

Australia inherited the culture of the British university system. Each Australian State in its own way moved to establish universities as “independent” statutory bodies, governed by a Senate or Council. The States funded these universities and the governing bodies were required to report through an Annual Report to State parliaments. Increasingly governments became more demanding as their advisors questioned the activities of their universities. This questioning multiplied as the Commonwealth increased its role in the provision of funds after the States gave away many of their taxing rights. Eventually, the Commonwealth moved to disempower the States but promises of decreased interference in the bureaucratic control of the universities never emerged.

I quote from a couple of sources of opinion on these matters in respect to universities.

In his book, *“I Am Right, You Are Wrong”*, Edward de Bono wrote “Bureaucracy was never designed as a change mechanism but to implement things as they are. Unfortunately change often has to go through bureaucracies. Foundations quickly become bureaucracies. Instead of being the venture capitalists that provide seed money for non-commercial innovation in society, they end up with risk attitudes of bankers – concerned with low risk projects as every other foundation. ... So where change requires vision and enterprise but must also pass through a bureaucracy the outcome is likely to be negative. If we put together the ludecy of politicians and the ludecy of bureaucrats the hope of change or innovative thinking is slight”

In the same book he says of universities, “Universities are very prone to the problem of apostolic succession. This means that the new appointees are chosen in the image of those who are already there. Universities are also bureaucracies in which the preservation of the existing direction is more important than anything else. .... The trouble with education is that it is a self-fulfilling system: it sets its own objectives and then proceeds towards them. People in education can conceive of thinking only as ‘analysis’ and ‘critical thinking’. This is because the idiom of education is that material is put in front of students, who are asked to react to that material. But the rest of life is not like that. In the real world people have to pull together the factors needed to think about anything; they have to assess priorities; generate alternatives; make decisions; take initiatives. All this is part of what I call ‘operacy.’ ”

It has always been my view that university education is far too focused on analysis. Academics can analyse what is wrong with any existing system and even any potential new system if anyone is game enough to postulate one. However, processes of synthesis, the creation of new solutions and of innovative new activity, the application of research and the planning of taking new ideas to a market are recognised even in the universities themselves as areas of relative failure in the British derived public systems. At all levels from that of the sponsoring governments through their bureaucracies and within the culture of the universities themselves there is a deeply imbedded fear of even carefully evaluated risks balanced against prospected returns. These risk averse behaviours not only apply to new ways of handling money but also, of greater concern, to ways of doing things differently.

The great philosopher and educator, A N Whitehead, writing variously between 1912 and 1929, maintained of universities:

“ The justification for a university is that it preserves the connection between knowledge and zest for life by uniting the young and the old in the imaginative consideration of learning. The university imparts information, but it does it imaginatively. ... Imagination is not to be divorced from the facts; it is a way of illuminating the facts.”

There are three critical questions that this inquiry must address.

***Is it possible for our public universities, trapped in the control systems of untrusting governments and their bureaucracies and by their own traditional intellectual conservatism, to evolve without fundamental changes to their governance resulting in greater independence and the acceptance that some might fail?***

Secondly,

***Is it possible, without these or similar changes in the structure of the Dawkins' Unified National System, to create a new culture in our universities to prepare graduates able to take Australia into an era of international competition based on initiative and innovation?***

And thirdly,

***Will improvements of some universities not demand planned evolution into smaller institutions with more limited missions seeking to meet more limited and tightly defined objectives?***

I am confident that our public universities would not only succeed in this environment but would prosper, as would their graduates. My evidence for this lies in the observations I have made about the successes of the nation's two private universities. Each has battled through near liquidation, each has acted in its own uniquely appropriate way and, in my observations, both are producing graduates who appreciate their learning experiences which they see as providing a background matched to their future needs.

The discussion that follows relates to what are the prerequisite changes necessary in policy that will secure a family of independent, complementary universities able to meet the nation's needs through both undergraduate professional education and through research and innovation.

### **The Defining Changes**

It would be arrogant and counterproductive to attempt to design a new set of Commonwealth and State policies and to attempt to specify in every detail a new system that could sustain and revitalise our universities. However, the impact of just a few critical policy changes will initiate an evolution over perhaps ten years that will establish a vibrant environment for higher education in Australia.

There is no reason why both the States and the Commonwealth should not play complementary roles in the future. The important outcome is that in a new system the responsibilities of each level of government are prescribed so that continuous conflict is unlikely and so that failure by one level of government or the other can be clearly understood by concerned Australians. I remember spending time with Clark Kerr who was then the Chancellor of the State university system of California. It was at the time that the Commonwealth was clearly moving to centralise the funding and control of the universities. He said that Australia would live to regret any centralisation of university control in one level of government.

One set of defining changes is set out below:

### *Governance*

The Universities should continue to operate under State Acts of Parliament. The Senates should have responsibilities more like company Boards and members should operate within the expectations of company directors. Those members, particularly those elected by bodies from within, whose roles in the past have resulted in the exercise of unacceptable conflicts of interest, should have their relationship with the governing body changed and their roles restricted to sub-structures of the Senate (Council) constructed to fully inform the governing body on internal interests.

Whatever the final structure the Statutes of the University must guarantee that conflicts of interest are declared and minuted and finally declared in Annual Reports.

### *Recurrent Funding for Coursework Degrees*

The Commonwealth Government should cease the funding of universities for coursework teaching forthwith. Each student deemed to be qualified for entry into a program should be granted an entitlement that he/she will have the freedom to redeem at the university of his/her choice, subject to selection. The entitlement will be that prescribed for the chosen course. The entitlement will be set by government on independent advice at a level that provides for the recurrent costs of teaching and of teaching equipment. Where new activities are planned based upon market demand, a grants system should be provided.

The value of the actual entitlement in the hands of each student will be means tested. Those from less privileged positions will receive a voucher that meets a high percentage of the charged tuition fee; others whose entitlement is less will have to fund their fee costs from family resources or through government loans. It would be desirable to scale up the value of entitlements for remote institutions so that the costs of attracting high quality staff to remote institutions such as Batchelor College and the Western Australian School of Mines could be met. The remote institution allowance would best become a State responsibility so these governments were made publicly accountable for their political decisions on decentralisation.

There must be strong public debate on the setting of the value of the base entitlements. My own preference would be to set a base value reckoned to meet the full cost of a course, with this value used for, say, the 5% most needy students. Institutions should make their own decisions on the actual fees they set and the extent to which they will expect students to access loans to meet some of the charge. Many institutions will follow precedents and supplement such deserving people with scholarships as might State governments.

There will be a continuing need for means tested living allowances.

Loans, special purpose and special need scholarships must be provided by government and should be sought by institutions from other sources, such as various benefactors, industry cooperatives and State Governments. It would be hoped that the States, based on previous successes, will provide special scholarships to make teacher education training a sought after option.

#### *Capital Funding for Coursework Degrees*

The capital needs in term of buildings should be met by the relevant State on whose land the university operates. An appropriate coordinating committee should consider major new developments so that the recurrent responsibilities of the Commonwealth and the capital provisions of the States are in step.

#### *Research Teaching*

There appears to be a visionary recognition in the recent government pronouncements that promises improvements in this area. The spirit of these ideas might lead to some changes in the funding of research for Masters and Doctorate degrees by research. However, such matters are best left to a second round of reform after the first set have been bedded down.

#### *Research and Innovation*

I am not suggesting that these are less important areas - they are certainly not. However, with the current reviews of these areas in place and extra funds promised, any changes in policy are best postponed till after the initiatives suggested here have been tested.

#### *Institutional Size*

One method of effectively enhancing central control has been to decrease the number of universities by amalgamations and to encourage growth in those remaining. These changes were imbedded in the Unified National System. The successes of our two private universities show quite clearly that there is a place for small universities. The current problems of unfilled places in our growth addicted public universities demands decisions about downsizing. It is an unacceptable practice for universities to

maintain their current level of funding by entering under-prepared students whose needs will inevitably lower the quality of graduates including the very best.

Comments are made below on better approaches to meeting the needs of those who in various ways have not prospered in their initial run at the school system.

The decisions about downsizing and its planning must be the province of independent universities who must plan their own future in their locally understood market and culture. State governments have a role to play and it will be necessary for the two levels of government to agree on the provision of funds to create respectable staffing and redundancy policies that will be inevitable in the short term for some. It is important that any new system does not repeat the failures of previous attempts to downsize public institutions where the highest quality staff get redundancy payouts and are immediately employed elsewhere while those less capable remain in institutions of diminished quality.

### **Some Other Issues**

In the discussion paper provided for those interested in making submissions, “*The Review of Australian Higher Education Discussion Paper*”, an interest is expressed in inter-sectoral boundaries.

#### *Universities and Schools*

Matters pertaining to equality of opportunity to study at university are ones I have written about for years. In the present climate of unmet demand for funded places I see many foolish programs for entering unqualified students simply to maintain university revenues. This is an entirely new phenomenon after years of under provision of places. Any erratic decisions to prop-up university revenue through shallow and poorly planned transition programs by universities should be rejected. This job would be better done in the TAFE sector or, in some States, in Senior Colleges.

There is a recent history of entering unqualified, perhaps even intellectually inadequate, students into teacher education courses. The tragic result is obvious. The momentum of paying staff has led to lower standards since the value of a student to a university lies in passing them and accumulating their numbers over the full length of a degree. These decisions have run down the quality of the whole system from primary school to universities. Our bureaucracies and, as a result, our politicians are unprepared to attack the problem. Those public organizations that have failed to address the obvious need for new approaches should be stripped of their responsibilities and the challenges handed to independently governed institutions.

For many years there has been a failure to recognise that inequalities in learning outcomes are founded in the schools, in many cases in primary schools that are ill-equipped to provide programs that have any chance of compensating for the inequality in the support capabilities of families.

The failure of governments to investigate paths to improve the capital investment in public schooling has recently received press coverage and, in many case, ill-informed comment.

The critical understanding that must underpin a more informed debate is that the provision of public funds for independent schools is not the basis of inequality. However, the years of attempts by government to balance the use of public funds in schooling have failed to address one significant inequality- this within State public schools.

*It is totally inequitable that some of those with means choose to access public schooling on the same basis as the poor. It would be a simple matter to remove this inequality if families were required to make a means tested contribution to gain access for their children into state schools. This inequality would be easily remedied through the introduction of a means tested schooling entitlement. This additional revenue could be directed to State schools. It would make a very considerable difference to the current foundations of inequalities.*

Such a means tested entitlement system for schooling would not only benefit the State school system but would also create a new era of equality in the new generation of independent schools where the crude system of means adjusted grants makes no allowances for the range of means within the school populations. There should be an end to the government funding of educational institutions at all levels and a move to an entitlement system that recognises the advantages and disadvantages of being born into families of different means and to live and study in places that exhibit geography based disadvantages.

#### *Universities and TAFE Colleges*

I cannot imagine an area of education less likely to benefit from a national declaration or protocol to prescribe relationships and agreements between TAFE's and universities. Each college and no doubt each university in a system such as I describe should be able to devise protocols and agreements that work to the benefit of the local market. If agreements with government are seen to be of benefit then the appropriate level is the State.

### **Final Observation**

The long neglect of many aspects of higher education and of the capability of schools to deliver the prerequisites of higher education demand an entirely fresh approach. The framework of an innovative and exciting alternative is presented.

Clearly much is left unsaid about the details of implementation and of a rational approach to the coordination of the States and the Commonwealth and of Governments' on-going advice in respect to the needs of such a gathering of largely independent universities. Of greater importance are the values to be expressed in the construction of the means tested entitlement

and the balance between the funds provided through the entitlement, through individual or family contributions, through scholarships, through loans and, of course, living allowances.

There are compelling reasons for Government to adopt a more independent model of a Commission similar to the Commonwealth Universities' Commission. The wisdom is that, in the period of change, the power of the existing bureaucratic structures must be limited or, at least, their roles exposed.

I would be pleased to add to this submission or to attend meetings to discuss any matters raised.

### **Acknowledgement**

I acknowledge the friendship of many colleagues who encourage me to retain the passion and to persist with these submissions. Some were generous enough to comment helpfully on a draft. Michelle, as usual, improves the expression and drops out any insulting bits.