

# **‘A Brighter Future’: Australia’s universities restructured**

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## ***Introduction***

Universities should both inspire individuals and help drive a nation’s development. Australia has a national system of largely-federal-funded, diverse institutions that, quite rightly, compete with each other for students, staff and additional research and other resources and, at the same time, co-operate with each other for mutual benefit in relation to various aspects of infrastructure, course delivery and research activity. The transformation to the current system from the myriad of universities, institutes and colleges of the 1980s has been much smoother than anyone could reasonably have hoped for or expected.

Nevertheless, it is quite clear from the *Review of Higher Education Discussion Paper- June 2008* that, even two decades after the ‘Dawkins reforms’ created a ‘unified national system’, and in spite of the best efforts of the newer universities, a *de facto* two-tier higher education system still exists. This is so in terms of student entry scores, research income, publications, proportion of post graduate and especially doctoral students, attraction of philanthropic support etc., together with prestige locally and recognition internationally in subject reviews, citation indices and various league tables.

If individuals and the nation are to gain even greater benefit from our universities, another transformation needs to take place. Notwithstanding the enormous strides taken by the newer universities over the past twenty years and the generally high regard in which the system is held around the world, the two-tier reality needs to be recognized. The following proposals, based on six key considerations and ***irrespective of the quantum or the sources of base university funding***, outline a restructured Australian university system better suited to the nation’s future and better able to satisfy the individual needs and aspirations of the Australian population.

## ***Key Considerations***

The possibility of ‘a brighter future’ for Australia would be greatly enhanced by a significant restructuring of its universities, based on the following key considerations:

- The strengthening of a number of broad-based, research-strong institutions that could interact confidently with, and compare increasingly favourably against, the best two hundred universities in the world.
- The active re-engagement of the states and territories in the university sector and the realization of several \$100 million worth of underperforming, underutilized or unnecessary university assets.
- The opportunity for all citizens, irrespective of age, background, location or prior educational attainment to have open, low-cost access to a wide range of high-quality university programs.
- The involvement of additional local and international private institutions in the Australian university system, within a nationally-agreed and consistent regulatory framework, with clear and rigorous national criteria for recognition as a university.
- The further concentration of high-cost research infrastructure and continued access, on merit, to research funding support for staff from all institutions in the system.
- The establishment of governance arrangements appropriate for the particular remits of each type of institution, and a clear definition of the respective roles of governing body and management.

## ***Australia’s Leading Universities***

- *“The strengthening of a number of broad-based, research-strong institutions that could interact confidently with, and compare increasingly favourably against, the best two hundred universities in the world”*

It is important for Australia to have a group of universities with a significant national responsibility to engage with and be well regarded by the university community worldwide. Such universities would be genuinely international – not merely with international students, but with sets of substantial working agreements, staff and student exchanges, and major areas of research that stand up confidently alongside the leading universities in every region of the world. Although much development is needed for them collectively to attain that position, the following nine universities, formed from thirteen current institutions, could form the basis of such a group.

- **University of Adelaide** with approximately 15,000 EFTSU
- **The Australian National University** 12,000
- **Macquarie-Newcastle University** (Macquarie U & U of Newcastle) 35,000
- **University of Melbourne** 35,000
- **Monash University** 40,000
- **University of New South Wales** (UNSW & U of Wollongong) 45,000
- **University of Queensland** (U of Queensland & James Cook U) 40,000
- **University of Sydney** 35,000
- **University of Western Australia** (UWA & Murdoch U) 25,000

These nine leading universities would have a major cultural as well as professional remit and be expected to ensure the maintenance at high level of all disciplines and specialties regarded as important for the nation's intellectual, social and economic well-being. Each university would maintain a broad range of programs across the arts, humanities, social sciences, sciences, engineering and medicine, and ensure, between them, the maintenance, for example, of classical and modern languages together with centres of excellence in specialist areas of endeavour such as linguistics.

Maintaining a program means a group of academics delivering high quality undergraduate, post-graduate, where appropriate professional, and research programs. Leading universities would expand significantly their post-graduate, and especially doctoral, provision to a level comparable with their major international peers.

Whatever the funding source(s) and mechanism(s) – federal, state, allocated student numbers, vouchers, HECS etc - leading universities would be base funded on the assumption that 50 percent of overall staff effort was devoted to research. Such level of research provision would only be continued if 80 percent of academic staff was judged to be 'research active and productive', as defined nationally. To the extent that such a target was not met, a university's base research funding for the subsequent assessment period would be cut by double the percentage of the shortfall.

As for teaching and learning, performance against nationally-agreed output criteria with clear targets and measures, would determine generous financial rewards for institutional achievement and significant financial penalties for institutional shortfall. The aim would be to shift institutional focus and effort from inputs – the recruitment of additional students and the money that comes with them – to outputs – the education of graduates with appropriate disciplinary or professional expertise together with additional, skills, qualities and attributes, such as competence in English and one other language.

Several leading universities would be smaller than they are now: giving up, with agreement, small and or regional campuses and some other programs to the relevant state or territory university.

## *Australia's State and Territory Universities*

- *“The active re-engagement of the states and territories in the university sector and the realization of several \$100 million worth of underperforming, underutilized or unnecessary university assets”*

It is important for each state and territory to have a single university that can provide students with ready access to a comprehensive range of programs and that can engage significantly, efficiently and fruitfully with the government and other key institutions. The following eight universities, formed from twenty three current institutions, would serve well the needs of their respective states and territories.

- **Australian Capital Territory University** (U of Canberra) approx 10,000 EFTSU
- **New South Wales State University** (Charles Sturt U, U of New England, Southern Cross U, U of Technology Sydney, & U of Western Sydney) 85,000
- **Northern Territory University** (Charles Darwin U) 3,000
- **Queensland State University** (Central Queensland U, Griffith U, Queensland University of Technology, Southern Queensland U, & U of the Sunshine Coast) 85,000
- **South Australia State University** (Flinders U & U of South Australia) 35,000
- **Tasmania State University** (U of Tasmania) 13,000
- **Victoria State University** (U of Ballarat, Deakin U, La Trobe U, RMIT U, Swinburne U, & Victoria U) 100,000
- **Western Australia State University** (Curtin University of Technology & Edith Cowan U) 40,000

Each of these state and territory universities would be expected, at minimum, to maintain at high level a range of disciplines and specialties regarded as important for their state or territory's intellectual, social and economic well-being. Maintaining a discipline or specialty means a group of academics delivering high quality under-graduate, post-graduate and, where appropriate, professional programs. In some of those disciplines and specialties a high quality research program would be maintained.

The pattern and range of any state or territory university's programs would take into account projected workforce needs, and the programs provided by any relevant leading universities and by training agencies and TAFE institutions, together with the largely-applied research needs of the state or territory

Having a single state or territory university in each jurisdiction would make much more possible than at present smooth and appropriate articulation pathways with TAFE and other institutions, and for the size and location of the university's various sites and the delivery of its programs to inform and be informed by the state or territory's demographic shifts, urban planning, and physical infrastructure and public services development.

New South Wales, Queensland and Victoria state universities would be the only three of the proposed seventeen leading, state and territory universities constituted from more

than two current institutions. It may be sensible to conceptualise them as three state university ‘systems’. The amalgamation process would be complex and time consuming. But the opportunity for them to realize many \$100 million worth of underutilized or unneeded physical assets, together with substantial recurrent savings through non replacement of retirees and making redundant several hundred underperforming or unnecessary staff – both academic and non academic, would ease the transformation process and release funds to support important new developments. Less, but still of significant value, would be the money generated by asset realization, staff non replacement and redundancies in the two pairings of institutions, in South Australia and Western Australia.

Whatever the source(s) and mechanism(s) of funding, state and territory universities would be base funded on the assumption that 20 percent of overall staff effort was devoted to research. Such level of research provision would only be continued if 30 percent of academic staff was judged to be ‘research active and productive’, as defined nationally. To the extent that such a target was not met, a university’s base research funding for the subsequent assessment period would be cut by half the percentage of the shortfall.

As with leading universities, performance against nationally-agreed output targets and measures for teaching and learning would generate additional institutional income for achievement and financial penalties for shortfall.

Some state and territory universities may give up, with agreement, some specialist programs to a relevant leading university.

### ***Open Universities Australia Pty Ltd***

- *“The opportunity for all citizens, irrespective of age, background, location or prior educational attainment to have open, low-cost access to a wide range of high-quality university programs”*

Open Universities Australia Pty Ltd was established with federal government start up funding, as Open Learning Australia, in 1993. The company is owned currently by seven universities, Curtin, Griffith, Macquarie, Monash, RMIT, South Australia and Swinburne which, together with eight other program providers, have enabled over 100,000 students to gain open, low-cost, access to on-line university courses, irrespective of prior educational attainment.

With, currently, just over 20,000 enrollments, equivalent to 6,000 full-time students, Open Universities Australia is the fastest growing provider of on-line higher education, with a rapidly expanding range of undergraduate, post graduate and professional courses, and an extensive set of support services for its students – orientation sessions, on-line tutorials, skills modules, crisis support services and careers advice.

Student cohorts over the past fifteen years have always included many young, time-pressed, working adults, together with those who have been unable for a variety of location, family responsibility and other reasons to attend a university campus. Increasingly, however, students are making on-line study with Open Universities Australia their higher education experience of choice.

Open Universities Australia is well established and well regarded within the university system and by its students and by employers. Were it, with a second \$30million tranche of federal funding, to expand further its range of programs and increase significantly its student numbers to 100,000 enrolments, the equivalent of 30,000 full-time students, it would not only provide open, low-cost, flexible, on-line higher education for many more of those who seek it, but aid significantly the much needed restructuring of Australian universities, their programs, assets and staff profiles.

### ***Denominational and Private Universities***

- *“The involvement of additional local and international private institutions in the Australian university system, within a nationally-consistent regulatory framework”*

Any university system is stimulated by a variety of non-standard institutions. Australia has two denominational contributors:

- **Australian Catholic University**, multi-state company, 10,000,
- **The University of Notre Dame**, Western Australia and New South Wales, 5,000

and one private institution:

- **Bond University**, in Queensland, 3,000

together with embryonic branches in South Australia of three non-Australian universities, - **Carnegie-Mellon** (USA) and **Cranfield** and **UCL** (UK).

Legislation and regulation of private and international providers varies between states and territories and could, with benefit to potential students and potential providers, be harmonized, with clear national criteria for recognition as a university.

Additional private Australian universities, or denominational universities or branches of universities from other countries would provide further opportunities and choices for students and, hopefully, demonstrate innovative arrangements that may stimulate change in the nation’s leading, state and territory universities.

## ***Research***

- *“The further concentration of high-cost research infrastructure and continued access, on merit, to research funding support for staff from all institutions in the system”*

The concentration of high-cost, federally-funded, research infrastructure - especially in science, engineering and medicine - is essential for building sufficiently large internationally-competitive research teams and for making most effective and efficient use of national resources. With few exceptions, all national high-cost university research infrastructure would be concentrated in the nine leading institutions. A rationalization of high-cost university and CSIRO research facilities would also improve the efficiency and output of the nation’s research effort

As now, nationally-competitive research funds would be available to the staff of all Australian universities. For each state or territory university, any additional research support above the base funding of 20 percent of staff effort would come from competitive grants won either alone or in collaboration with other leading, state or territory universities, sponsorship, state or territory support, from within the university’s own resources, or from earnings through the exploitation of its applied research.

## ***Governance***

- *“The establishment of governance arrangements appropriate for the particular remit of each set of institutions”*

Current, widely-varying - and widely regarded as inappropriate, governance arrangements have resulted from differing state and territory legislation, the requirements of the ‘Dawkins’ amalgamations, the outcome of formal reviews over the past decade in some jurisdictions, sectional and stakeholder ambitions and, in many cases, institutional benign neglect.

A restructured university system would require governing bodies comprised of people with the qualities, skills and experience appropriate for the nature and ambitions of each set of institutions. Apart from the vice-chancellor, no current paid or unpaid member of a leading, state or territory university would be eligible to serve on its governing body. No serving politician, bureaucrat or advisor would be eligible to serve on the governing body of a university.

For a leading university, a nine-member Council would meet quarterly and comprise: a council-appointed chancellor, the vice-chancellor *ex officio*, two members appointed by council from outside Australia, and five further council-appointed members – two of whom would require endorsement by the relevant federal minister.

For a state or territory university, a nine-member council would meet bi-monthly and comprise: a council-appointed chancellor, the vice-chancellor *ex officio*, two members appointed by council from outside the state or territory, and five other council-appointed members – two of whom would require endorsement by the relevant state or territory minister.

Open Universities Australia Pty Ltd is governed by one member from each of the seven shareholder universities together with four independent directors. In the restructured system, five of the seven shareholder universities would be absorbed into larger state universities, Macquarie would join with Newcastle, and Monash would stand on its own as a leading university. The subsequent board structure would depend on the company's negotiations with old, reformulated and any additional potential shareholders.

Each denominational or private university would establish a governing body appropriate to its particular remit, and in accordance with any requirements set out in its company articles, state licensing agreement and any national conditions

## ***Conclusion***

The proposals in this paper recognize the enduring two-tier reality of the Australian university system and the desirability of creating nine broad-based leading universities with a base funding regime and research remit distinct from those of eight state and territory universities, where there would be significant realization of sleeping assets.

In addition, Open Universities Australia Pty Ltd would offer a greatly enhanced portfolio of programs, legislation governing private and international providers would be refined and harmonized, high-cost research infrastructure would be further concentrated, and governance arrangements made appropriate for each set of institutions.

Were federal, state and territory governments to be bold enough to ignore the vested interest of institutions, the self interest of unions and the innate conservatism of students and implement this restructuring, then Australia would indeed have 'a brighter future'.

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