

**Review of Australian Higher Education**

**Submission in response to the June 2008 discussion paper**

**Dr Rohan Carr**

**'The missing link: a focus on Academic Human Capital'**

T H E  
**INSIGHT**  
G R O U P

---

**Melbourne**

Level 7, 230 Collins Street  
Melbourne VIC 3000

**Sydney**

Level 8, 4 Bligh Street  
Sydney NSW 2000

**Contact**

03 9654-3288  
rohancarr@insightgroup.com.au

**July 10, 2008**

## **Response to the Review of Australian Higher Education Discussion Paper**

### **The missing link: a focus on Academic Human Capital**

---

“It could be assumed that the Bradley Review would consider all the key determinants of success in the higher education sector. However, the discussion paper appears to have overlooked one of the major factors determining this success – the **supply of academic talent.**”

- Dr Rohan Carr, The Insight Group

#### Background

The terms of reference commit this review to:-

“assess whether the education system is capable of:

- contributing to the innovation and productivity gains required for long term economic development and growth; and
- ensuring that there is a broad-based tertiary education system producing professionals for both national and local labour market needs.”

Specifically, the Review Panel is to advise Government on themes including:-

#### **“Diverse, high performing institutions with a global focus**

Developing a diverse, globally focused and competitive higher education sector with quality, responsive institutions following clear, distinctive missions to provide higher education opportunities to students throughout Australia”; and

#### **“Productivity and participation**

Enhancing the role of the higher education sector in contributing to national productivity, increased participation in the labour market and responding to the needs of industry. This includes the responsiveness of the sector in altering the course mix in response to student and employer demand and an understanding of trends in the economy, demography and the labour markets served by higher education.”

(Terms of Reference, Review of Australian Higher Education)

The Review's June 2008 discussion paper expands on these terms, noting:

1. That the higher education sector plays a critical part in the Australian economy (pg4)
2. The importance of higher levels of knowledge and skill as "key determinants of success for individuals, enterprises, regions and nations" (pg5)
3. The increasingly global nature of Higher education, and the consequent flows of students, staff, money and ideas (pg5).

Given the above important and valid points, it could be assumed the Bradley Review would consider all the key determinants of success in the higher education sector.

However, the discussion paper appears to have overlooked one of the major factors determining this success – the **supply of academic talent**.

#### The situation today

The discussion paper acknowledges the impact of the ageing population on the productivity of the population of Australia. It suggests that increased skills/education is one way to counter the negative impact of this demographic change (pg6). It also notes that this change will have an impact on the staffing of the higher education sector itself.

Furthermore the discussion paper recognises the impact of the global marketplace on the ability of Australian institutions to attract and retain high quality talent (academic mobility is referred to, as is the lack of hard data on the extent of mobility).

#### The question of human capital

The discussion paper states that "this situation [competitive labor markets and potential staff shortage] clearly poses a range of potential challenges beyond immediate recruitment and retention issues, in terms of ongoing viability of some fields of study due to staff shortages and possibly disruption to the operations of some institutions"(pg13).

It is surprising, following this strong statement, that the review does not allocate one of its 35 'Questions for Discussion' to the matter of staff attraction and retention. It is particularly surprising when we consider that more than 50 per cent of universities' expenditure is staff related.

## How the lack of human capital hurts the sector

Academic staff shortages (a genuine and immediate threat as set out in the above excerpt) have the potential to impact on individual institutions and the sector in general in the following ways:

- Quality
- Learning outcomes
- Innovation
- Research (quality and quantity)
- Success in an international context
- Contribution to economic, social and cultural capital

## Conclusion

The rationale set out above in conjunction with the terms of reference of the review and observations contained in the discussion paper indicate a significant and fundamental question must be addressed by the Review of Australian Higher Education:

**“What structure and systems are required to ensure the establishment and maintenance of a world class academic staffing population in Australia?”**

To answer this question the following sub areas need to be investigated (and further questions may well emerge):

1. Are the current academic levels appropriate both in terms of internal and external relativity to enable attraction and retention of academics and professional staff?
2. What is the best method of ensuring appropriate career progression (to ensure appropriate motivation and consistency)?
3. How does the system ensure the appropriate professional development of academics in areas of teaching skills, administrative skills and leadership skills?
4. What is the most appropriate method of remuneration (balancing consistency, reward for performance, relative to the non-university environment)? Are current pay scales appropriate?
5. How do we ensure retention of academics within Australia or encourage the repatriation of those currently offshore?

Given the importance of human capital to the future development of higher education in Australia, and given the evidence already available of this capital's depletion, immediate investigation and debate is surely needed. Without it, this important sector review cannot be comprehensive.

**Dr Rohan Carr**

Director, The Insight Group

July 2008