

**Review of Australian Higher Education
Submission from Christian Heritage College
July 2008**

Christian Heritage College (CHC) is a private higher education offering undergraduate and postgraduate higher education courses in Education, Social Sciences, Business and Ministry. The College was established in 1986 and now has a total enrolment of approximately eight hundred students. The College is located at Mansfield in Brisbane's south-eastern suburbs.

CHC began as a provider of teacher education programs to the Christian schools sector and continues to place its primary emphasis on the provision of professional training programs with a Christian perspective.

1. Perspectives from the private higher education sector

The recognition given in the Discussion Paper to the contribution of the private higher education sector to Australian higher education (Section 2.1 and elsewhere) is welcome.

The steady growth in the number of private higher education providers (HEPs) and in total enrolments in this sector over the past five years provides evidence of continuing demand for places in private providers and suggests that the private sector will continue to grow as a proportion of Australian higher education. If so, the private sector can only become increasingly significant in years to come, and consequently it is necessary to recognise and take account of the private sector as an important element of the higher education mix that needs to be covered by future policy settings.

Observations of the Discussion Paper on features of private providers are noteworthy. According to the Discussion Paper (p. 64), private providers operate most successfully where they are not in direct competition with publicly funded institutions, where equivalent public sector courses are offered on a comparable full-fee basis, and where delivery costs are relatively low. In short, private providers focus on the delivery of specialist or niche programs particularly, although not exclusively, where there is a level playing field in terms of tuition fee and funding arrangements.

Private providers would also emphasise that they succeed by providing specialised programs that pay close attention to students' needs and interests and that lead to employment outcomes that students value.

2. The functions and characteristics of higher education in modern Australia (Sections 1.1-1.3)

From a private sector perspective, the statement of functions and characteristics of Australian higher education in Sections 1.1–1.3 does need to recognise explicitly that the “core functions of contemporary universities” (p. 2) do not belong exclusively to,

and are no longer performed solely by, institutions formally titled “university”, but rather by a broader and more diverse range of types of institutions. As noted above, this is a situation that is now an enduring reality in Australian higher education. The Discussion Paper rightly refers then to “Australia’s higher education system” in subsequent discussion, although current arrangements do not reflect the level of integration of the component parts that the term “system” might imply.

In spite of its great diversity, it is possible to think of higher education as a coherent entity. Contributions by VET sector spokespersons in the consultations highlighted the fact that the VET sector remains committed to programs that reflect a practical and applied focus and close relations with industry. A reasonably clear distinction can be drawn then between VET programs and those that reflect the more theoretical orientation of higher education. But while higher education is a coherent and distinct type of education, the institutions delivering it, both those identified as universities and those not presently included in that category, will become increasingly diverse in exactly how they perform the core functions of higher education. That is, the policy framework for the future will need to provide for increasing diversity in the extent to which the sector as a whole and the institutions within it focus on the development of high level knowledge and skills through teaching or on the generation of new knowledge through research.

In a political environment that so often reduces the discussion of every issue to a purely economic dimension, the explicit inclusion of “self-fulfilment, personal development and the pursuit of knowledge as an end in itself” (Section 1.2) is warmly welcomed. It would be desirable however if a form of words could be agreed upon to extend this important idea into Section 1.3 and the discussion of the characteristics of Australian higher education which follows in subsequent chapters of the Discussion Paper.

Two lacunae should be briefly noted. Firstly the emphasis on knowledge and skills in Section 1.2 should be complemented by a moral or attitudinal dimension without which higher education is grievously impoverished. Allan Bloom’s memorable phrase “skilled barbarians” comes to mind. Secondly the broad contribution of higher education to the professions, to society, and to national well-being more generally is equally worthy of a more prominent place in the discussion.

Concern should also be noted over the ambiguity of the phrase “operate internationally”. There is no doubt that all higher education institutions should engage globally in developing knowledge and skills and in generating and applying new knowledge. Similarly all institutions should assist their students to become global citizens. Nor is there any doubt that Australia’s higher education system as a whole should ideally be marked by a capacity to operate internationally at the highest level. However these worthy international dimensions should not be taken to imply that a particular form or scope of international operations should be mandated for each and every Australian higher education institution. Private providers face very significant regulatory obstacles in seeking to develop transnational operations, and need therefore to make their own carefully considered strategic decisions about the best uses of available capital and likely levels of risk and return without falling outside an agreed definition of the characteristics of Australian higher education. Global citizenship or

global perspectives should not mandate particular forms of offshore revenue generation.

It is evident then that, alongside universities, private providers also fulfil the functions and characteristics of Australian higher education, and wrestle with the attendant challenges. A policy framework for the future of Australian higher education must recognise and take account of the part played by private providers in meeting the needs of their students and in fulfilling the functions and characteristics of Australian higher education. Indeed, as the Discussion Paper recognises, there is already a considerable blurring of the demarcation between public and private higher education, and this is a process that is likely to continue (p. 13). Future policy frameworks therefore must grapple seriously with the role and contribution of private providers as an integral part of the Australian higher education system.

Choice for students

The elephant in the room in the discussion of the characteristics of Australian higher education is the absence of any reference whatsoever in these “scene-setting” sections to student choice. Indeed the neglect of students’ choices of life goals, careers, and pathways to personal and professional growth is glaringly obvious. In an individualistic society like Australia, any policy framework that is going to relate to the real world must take account of the reality of individual choice as the fundamental source of decision-making. Otherwise the written policy will continually cut across the grain of human nature and impose a dysfunctional conceptualisation of the real drivers of both domestic and international participation in higher education.

The proverbial visiting Martian reading Sections 1.1-1.3 would not recognise them as belonging to a free society, or as pertaining to free institutions within society.

Yet student choice already plays a significant role in shaping the provision of higher education and the resourcing of it in both public and private sectors, albeit in different ways (p. 22). However, the operation of the principle of choice is more far-reaching and needs an appropriate level of recognition in the policy framework. Christian Heritage College would therefore support the recognition of student choice as “primary driver” of the allocation of public funding for teaching via a system of learning entitlements (p. 64).

3. Participation and productivity: upgrading skills for older workers (Section 2.3)

The Discussion Paper has recognised the growing importance to the future of the Australian economy of high levels of knowledge and skills, and as a consequence the national policy imperative of higher levels of productivity in Australian workplaces. According to the Discussion Paper, higher productivity requires higher levels of educational participation, particularly within certain sectors of the Australian workforce with lower rates of participation in education and training (Section 2.3, 3.1).

In particular, the Discussion Paper identifies a need to broaden the base of participation in groups under-represented in higher education, including older adults

in both undergraduate and postgraduate courses (p.6). The Discussion Paper notes that there will be continuing pressure on older age groups to develop new skills or upgrade existing qualifications to meet changing workforce needs (Section 3.2).

Private providers contribute to the educational engagement of these under-represented demographics. For example, 57% of currently enrolled students at Christian Heritage College are over the age of 25. Private providers would also contend that they recognise the complicated lives that are the common experience of older adult students, and provide the quality of teaching and the supportive environment that assist students returning to study to succeed in their courses.

Current higher education funding and loan arrangements contradict national participation objectives. The challenge for Australia is to lift participation rates in a sustainable way. However Christian Heritage College contends that present funding arrangements are counter-productive; placing barriers and disincentives in the way of students from under-represented groups for whom private institutions provide important pathways.

In particular, the very limited number of Commonwealth supported places available in private providers and the heavy impost for undergraduates of the FEE-HELP loan fee are major disincentives to participation, especially for the debt averse. A system of learning entitlements would support the twin goals of participation and productivity.

The percentage of the population that has the capacity to benefit from higher education is a much debated issue to which there is as yet no definitive answer. What we do know is that there are many whose unrewarding early, primary, and secondary education effectively excluded them from progressing to higher education due to a deficit of learning skills. Many such people make heroic efforts in mid-life to grapple with these educational deficits, and their success or otherwise in doing so is not merely of personal and family significance, but also a matter of undoubted national interest.

Some private providers have a special interest and capacity to engage demographic groups that are under-represented in higher education and to provide the level of personal and academic support that can make the difference between success and failure. In contributing to participation, private providers can also contribute significantly to social inclusion. Because of its course profile, CHC has a particular interest in working with older adults who are employed or seeking employment in fields such as education, counselling and human services, and the academic success of such people has clear social as well as individual benefits.

4. Social inclusion

It is clear from experience that improving indigenous and low SES participation in higher education is not just a matter of awarding a few scholarships. Students who do not have the benefit of an education-rich environment or history need significant ongoing support networks and structures, not just scholarships. However private providers are not funded for the services and support staff that are needed to generate and sustain participation for these students. There needs to be a national pool of funds

to which private providers can apply for resources to support social inclusion strategies.

Advocating this strategy is not intended to downplay the need for other support measures. For the debt averse, low SES status means effective exclusion from the wider range of opportunities that full-fee places in private providers might represent. These students would benefit from greater access to Commonwealth supported places in private institutions. For all students there is a need for improved levels of student support and easier access to it.

Investment in improving educational participation for under-represented groups is justified by the convergence of social inclusion priorities with the economic benefits generated by increased productivity, improved workforce participation and enhancement of high level skills and knowledge.

5. Community engagement

Community engagement is another area in which private providers make major contributions to public goods in spite of the absence of any public support. Private providers play an important role in society through so-called “third stream” knowledge transfer processes (p. 55). For example, Christian Heritage College and its staff contribute in a variety of significant ways, usually without recompense, to the work and wellbeing of government and non-government schools, the non-government welfare sector and especially youth welfare organisations, governance and management in not-for-profit and charitable bodies, professional standards in the emerging counselling and welfare professions and so on. In addition to these national activities, CHC provides valuable support to the work of non-government organisations in several regional countries.

As many of these organisations and activities are faith-based, public universities by virtue of their secular constitutions can experience some difficulties in reaching and in contributing to the work of bodies which play important roles in Australian society and its near neighbours.

While there is no simple solution to the funding of third stream activities, it is important not to assume that this is a problem pertaining only to the public sector. Whatever solutions are adopted for the funding of community engagement should embrace both public and private sectors.

6. Quality learning experiences

Claims of differences in quality and standards are not an issue between public and private sectors in higher education, since accreditation procedures are explicitly required to ensure that programs offered by private providers are equivalent to comparable programs offered by universities.

CEQ data supports private providers’ contention that their students enjoy a quality learning experience. For example, according to the most recent data (2007), 89.7% of

CHC graduates were either satisfied or very satisfied with their overall course experience.

CHC supports the role of AUQA in assuring the quality of Australian higher education. In view of the diversity of the private sector, private providers are particularly supportive of the “fitness for purpose” model of quality audit adopted by AUQA.

It should also be remembered that private providers, as much as or more than their public counterparts, are subject to the discipline of market accountability, and thus have a powerful incentive for ensuring the quality of their programs, and of the student experience more generally.

7. Financing arrangements

This submission has sought to draw attention to the many ways in which private providers contribute to the capacities that are characteristic of higher education in Australia. CHC’s proposals for restructuring higher education funding arrangements are grounded upon this contribution of private providers to the national goals and characteristics of higher education. Given that private providers do make such important contributions to the national higher education system, it is counter-productive to maintain into the future a set of funding arrangements which ignore and even contradict national policy priorities, such as those of skills, participation and social inclusion discussed above.

The new policy framework to which the present review will hopefully lead will be in place for some time to come, and the review must therefore of necessity look well ahead in its thinking about the future shape of higher education and the funding of it. Some aspects of that future context are now evident. As the Discussion Paper notes, costs are rising, and institutions currently experience increasing constraints on their capacity to generate additional private income, or at least to do so without becoming even more heavily reliant on recruitment of overseas students.

CHC contends that the current financing system does not reflect the stated purposes and functions of Australian higher education and will not support a viable future, let alone one that will meet the critical test of enabling Australian higher education to perform at internationally competitive levels. There is a case to be made that all stakeholders, whether the government, the student or the wider community, should contribute more towards the cost of the public and private goods generated by Australian higher education (p. 62). Achieving these objects across the whole of the system calls for some form of contestable funding, which might be termed “learning entitlements”.

Some form of learning entitlement in which the funding follows the student already applies at least in part in the VET sector and effectively also in schools. It might be said that the sky has not fallen in as a result, and this should encourage consideration of learning entitlements to apply to higher education as well.

There is now a historic opportunity to move towards contestable funding arrangements. The common objection to voucher-type models is absence of the mechanism to allocate vouchers and to impose some upper limit on the total number of places in the system. However, as the Discussion Paper notes, overall domestic demand is now flat (p. 27) and there is little aggregate unmet demand (p. 18). This low level of unmet demand, and indeed in some quarters something of an over-supply problem, removes the key allocation problem of a learning entitlement model.

This then raises the question of the relationship between VET and higher education, particularly concerning relative provision between the sectors. There is no unanimity on the longer term relative demand for VET and higher education graduates, but it is safe to say that no radical demand shifts are anticipated.

The emergence of demand-driven funding arrangements within the VET sector, and the movement towards more demand-driven arrangements in the higher education sector logically implies demand-driven arrangements between the sectors as well. Indeed it is difficult to see how demand-driven arrangements could apply consistently within one sector without also applying across sectoral boundaries. Given that the total public contribution to VET and higher education places are broadly comparable, it is argued that learning entitlements should apply cross-sectorally. That is, the only logical funding model is one in which funding is contestable both within and across sectors.

8. VET and higher education

It has been argued above that coherent distinctions can be made between the higher education and VET sectors, in particular defining the VET sector by the practical, applied and vocational emphases of its courses in comparison with the more theoretical orientation of higher education. It is noteworthy of course that TAFE providers do have interests in offering higher education awards in areas of strength, and it is likely that the genie is out of the bottle on this issue.

Far-reaching reform of VET would require the Commonwealth to take a leading role in VET funding. But this would entail as a prerequisite fundamental reforms to Commonwealth-state financial arrangements that would dramatically extend the scope of policy reform to an extent that would be likely to impede the reform of higher education.

Christian Heritage College operates only in the higher education sector at present, and has no claim to expertise in relation to VET. However there does seem to be a case for recognition of a greater range of institutional types, rather than a gulf between the sectors, perhaps something akin to the Carnegie classifications in the US. Multi-sector institutions, which some private providers are, would welcome opportunity for further integration within and between programs. Other private providers operate solely in the HE sector, and these would welcome the opportunity to develop articulation arrangements and institutional links on their merits on a case by case basis, in accordance with their own strategic priorities. All would welcome a greater coherence in cross-sectoral dialogue.

9. Student loan arrangements

High priority should be given to resolving the present anomalies in student loan arrangements. There are at least three different versions of interest arrangements applying to student loans (e.g. Commonwealth supported HECS places, postgraduate FEE-HELP and undergraduate FEE-HELP), and these represent significant anomalies. There can be no valid justification, for example, for imposing a stiff up-front interest charge on undergraduates accessing FEE-HELP while providing interest free loans to postgraduate students who by definition must have a greater capacity to contribute to the costs of their education.

Such anomalies are nonsensical in the light of the national priority accorded to skills, participation and social inclusion.

10. Student income support

There is an urgent need to improve financial assistance to students, especially those living away from home (p. 32). The Discussion Paper has noted that foregone income is the major financial barrier to participation, especially for low SES students. Expectations of increased private contribution via increases in HECS student contributions should therefore be complemented by increased public support in the form of improved income support arrangements.

11. Regulation

There is much that could be said in relation to the regulation of higher education, particularly in relation to private providers. However the new MCEETYA national protocols for higher education recognition and approval are now coming into effect around the country, and these need to be given the opportunity to work through the inevitable teething issues and for their efficacy to be proven.

However one issue that should not be regarded as closed is that of the criteria for access to university nomenclature. There is general agreement that universities should be engaged in research and scholarship, and this rightly precludes the idea of a “teaching only” university. However no university pursues the teaching-research nexus to the extent that every aspect of its teaching is informed by corresponding research activity. Many universities have substantial bodies of teaching-only activities, in some cases whole campuses which are teaching-only operations.

CHC endorses the view that there should be a category of university nomenclature applicable to “predominantly teaching” institutions which can demonstrate some research activity and a record of scholarship on the Boyer model.

It should be noted that the MCEETYA protocols for university status set the barriers to new entrants very high, significantly higher in fact than would apply at present to institutions on the lowest rungs of the scale of university research activity. If this is

an unsatisfactory situation now, it can only become a more vexed question over the next couple of decades for which the present review should be providing a blueprint.

Christian Heritage College welcomes the opportunity afforded by this important review to contribute to the review of Australian higher education.

Contact details

Dr Brian Millis

Principal

Christian Heritage College

PO Box 2246 Mansfield BC Qld 4122

Phone: 07 3347 7900

Fax: 07 3347 7911

Email: bmillis@chc.edu.au