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SENATE

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS
AND EDUCATION REFERENCES COMMITTEE

Reference: Australia's higher education needs

THURSDAY, 19 JULY 2001

NEWCASTLE

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SENATE
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS
AND EDUCATION REFERENCES COMMITTEE

Thursday, 19 July 2001

Members: Senator Collins (*Chair*), Senator Tierney (*Deputy Chair*), Senators Brandis, Carr, Crossin and Stott Despoja

Participating members: Senators Abetz, Allison, Boswell, Brown, Buckland, Calvert, George Campbell, Chapman, Coonan, Crane, Crowley, Eggleston, Faulkner, Ferguson, Ferris, Gibbs, Gibson, Harradine, Harris, Hutchins, Knowles, Lightfoot, Mackay, Mason, McGauran, O'Brien, Payne and Watson

Senators in attendance: Senators Carr, Collins, Crossin and Tierney

Terms of reference for the inquiry:

To inquire into and report on the capacity of public universities to meet Australia's higher education needs, with particular reference to:

- (a) the adequacy of current funding arrangements with respect to:
 - i. the capacity of universities to manage and serve increasing demand,
 - ii. institutional autonomy and flexibility, and
 - iii. the quality and diversity of teaching and research;
- (b) the effect of increasing reliance on private funding and market behaviour on the sector's ability to meet Australia's education, training and research needs, including its effect on:
 - i. the quality and diversity of education,
 - ii. the production of sufficient numbers of appropriately-qualified graduates to meet industry demand,
 - iii. the adequacy of campus infrastructure and resources,
 - iv. the maintenance and extension of Australia's long-term capacity in both basic and applied research across the diversity of fields of knowledge, and
 - v. the operations and effect of universities' commercialised research and development structures;
- (c) public liability consequences of private, commercial activities of universities;
- (d) the equality of opportunity to participate in higher education, including:
 - i. the levels of access among social groups under-represented in higher education,
 - ii. the effects of the introduction of differential Higher Education Contribution Schemes and other fees and charges and changes in funding provision on the affordability and accessibility of higher education,
 - iii. the adequacy of current student income support measures, and
 - iv. the growth rates in participation by level of course and field of study relative to comparable nations;
- (e) the factors affecting the ability of Australian public universities to attract and retain staff in the context of competitive local and global markets and the intellectual culture of universities;
- (f) the capacity of public universities to contribute to economic growth:
 - i. in communities and regions,
 - ii. as an export industry, and
 - iii. through research and development, both via the immediate economic contribution of universities and through sustaining national research capacity in the longer term;
- (g) the regulation of the higher education sector in the global environment, including:
 - i. accreditation regimes and quality assurance,
 - ii. external mechanisms to undertake ongoing review of the capacity of the sector to meet Australia's education, training, research, social and economic needs, and
 - iii. university governance reporting requirements, structures and practices; and
- (h) the nature and sufficiency of independent advice to government on higher education matters, particularly having regard to the abolition of the National Board of Employment, Education and Training.

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Committee met at 9.06 a.m.

CHAIR—I declare open this public hearing of the Senate Employment, Workplace Relations, Small Business and Education References Committee. On 12 October last year the committee was asked by the Senate to inquire into the capacity of public universities to meet Australia's higher educational needs. Over the past 15 years there have been a number of important policy changes affecting the higher education sector. Most obvious has been the increasing dependence of universities on revenue from non-government sources and from the Higher Education Contribution Scheme.

The committee's inquiry will focus on the capacity of universities to offer high standard undergraduate and graduate education, particularly at a time when the academic profession is under increased pressure to handle higher teaching workloads and when the quality and standards of courses are being questioned in some quarters. The committee notes that various accounts of questionable practice have been reported in the press and in submissions to this inquiry. It will make an assessment as to whether such practices may result in part from the pressures faced by universities under current funding arrangements and stringencies. The issue of research funding will also be examined, in particular the extent to which universities are maintaining their capacity to conduct basic and independent research and whether or not resources are being diverted from such areas of research in response to commercial pressures. The committee will also look at the evolving academic culture of universities and the effect of commercial pressures upon them. It will also consider governance issues and the internal accountability arrangements of university administrations.

Before we commence taking evidence today, I wish to state for the record that all witnesses appearing before the committee are protected by parliamentary privilege with respect to the evidence provided. Parliamentary privilege refers to special rights and immunities attached to the parliament or its members and others necessary for the discharge of parliamentary functions without obstruction or fear of prosecution. Any act by any person which operates to the disadvantage of a witness on account of evidence given before the Senate or any of its committees is treated as a breach of privilege. I also welcome all observers to this public hearing.

[9.08 a.m.]

WEBB, Dr Neville Deane, Chairman, Past Presidents Advisory Committee, Australian University Alumni Council

CHAIR—We now welcome our first witness, Dr Neville Webb.

Dr Webb—The Australian University Alumni Council is a body representing all the alumni associations and convocations of the universities and hence alumni across the board, possibly a million or a million and a half, including nearly everybody here, I would say. I am the Chairman of the Past Presidents Advisory Committee on policy, and I served in the past as a president in 1995 and 1996, when the change of government took place. I previously have had long experience as a member of convocations.

CHAIR—The committee has before it your submission which we have numbered 191. Are there any changes you wish to make to the written submission?

Dr Webb—I think not. I think this is acceptable to me at the present time. There are lots of other things that we would have liked to have said but I think it is better for us to concentrate on certain matters. I will be dealing with about four major points.

CHAIR—You now have the opportunity to make your opening statement and then we will move to questions afterwards.

Dr Webb—The Australian University Alumni Council has been the representative of alumni for 36 years now, and we have constantly monitored the changes that have taken place in the period since 1965—and there have been a great many—and we are conscious of certain things. Firstly, as representatives of the graduates, we are concerned that degrees do not lose their value. We, therefore, are very concerned that standards be maintained, and we have been really concerned about the fact that in the last few years certain matters have taken place which are most disturbing in regard to standards. If, for example, the quality of teaching and research and the conditions under which staff are working is significantly lowered, the quality of the degree is seen as lower. For example, if we have in the past obtained degrees that were very highly regarded—and I talk as a graduate of Sydney University, where the act says that we are to be regarded as equivalent to any university in the United Kingdom, which meant Oxford and Cambridge at the time—we are concerned that we are seen to be in a poorer position. I hear about how Malaysian students who cannot get into universities are poached by our local development officers to come to Australia. I read about this in the paper and it has not been denied. These students are told that their English will quickly be put up to standard, which it is not. Then they graduate from Australian universities and go back to Malaysia, where they are seen as inferior to their own university graduates. Today I saw that Singapore was in the same boat. This reflects very badly on our degrees. When I think of the sorts of standards required in the past, I feel that it is most inappropriate that we should be seen like that, and our alumni, who are generally ignored by government, are concerned that our degrees are going down the tube. I will come back to the question of how this happens.

The second thing we are concerned about is the fact that the alumni are not looked at in relation to fundraising in any great detail. As a graduate of an American university I have had

ample opportunity to see just what sort of activities go on there. I mention, for example, going to the commencement at Harvard a few years ago. Not only did they have 24,000 people at the commencement, they had 15,000 at the homecoming. There were two hours of television when the local television boss showed the investiture of new chapter heads. This was a big deal. They said they were raising \$2 billion over five years. They were raising \$1 million a day, every day.

I know that we cannot be Harvard but at the same time, if we have aspirations to be in the top 100, we have to start doing something about this. The differences are very clear. Firstly, in universities in the United States, there is loyalty built up from the very moment students come into the university. They are part of the university. They live in the university confines for a good part of their first four years. When you look at BAs and BScs being regarded as required before you go on to vocational training, then it is clear that those people have very often built up a considerable loyalty, to the extent that the final year class will often make a substantial donation to the university and thereafter become part of the population who care about what is happening to the university.

I take the example of my own university, the University of Oregon. In 1999 they spent \$50 million of alumni money extending their stadium, \$20 million on the Museum of Art and another \$10 million on the faculty of arts. That was all alumni money, and this is in a public university in a state of three million with a student population of about 20,000. If we want to be like the United States then we have to start thinking in a different way. So often we are taking the worst of the British example and expecting to have American production of moneys from outside in the commercial area and so on.

This, I am afraid, is what the government have done in the last few years. They have reduced their allocation to 52 per cent of contribution overall, and then they have praised themselves for having raised the total amount of money that has been given to the higher education sector. This is despite the fact that the population has grown from 634,000 in 1994 to 695,000 in 1996. There has been a decrease after inflation when the contribution takes place. In real terms, the sector has been cut from \$5.84 billion in 1996 to \$5.82 billion in 2001. Candidly, you cannot have it both ways. If you really want to bring the standards up then either the government has to contribute more or they have to find it from outside. All the universities have been trying to be commercial, and a lot of them are being criticised for the fact that they do not always back the right horse. I think this is quite ridiculous. You cannot have it both ways.

Part of the climate in the universities in the United States comes from the fact that governance is through alumni. Boards of governors are dominated by alumni who care. There are severe problems in relation to governance in this country because of the split between the state governments, which have the act but do not contribute money, and the federal government, which contributes money. The control is in a very confused state, and in the meantime the alumni are not really being tapped.

If you look at, for example, Toronto or at any of the major universities in the United States and look at their alumni areas, you will find 30 or 40 or more people employed. There are development officers who are going out and doing things. We have a development officer in big universities—you might have only one. There might be a couple of people in the alumni area who are very poorly paid and they turn over all the time because they are offered better jobs, and so their expertise is lost. Therefore, it is no surprise if the alumni are not properly tapped.

But the alumni do care and a lot of them could contribute, but often the bottom line is so important that if it does not yield a dividend by the end of the first year then it is abandoned. I very clearly remember this happening when I was at Sydney. After an inquiry into the total structure the Pro-Vice-Chancellor in this area was effectively squeezed out and became head of education in Victoria. He had some innovative ideas but the university had to look at the bottom line. Candidly, this is not satisfactory. We are concerned with all these matters and we are concerned particularly by the fact that we have to look not only at the big G8 group but also at the regional universities.

The regional universities, as you know, are among those suffering from debt problems more than most of the others. At the same time they contribute so importantly to the economy of their areas that it is absolutely vital that they be supported. When I see the amount of money that has been cut by government tax reductions and I see how much the universities are suffering when a few million dollars, which would be a drop in the bucket, would save these universities from the sorts of disastrous pressures that they are under, it is very sad.

I would refer to the fact that in New South Wales the five regional universities contribute \$1.1 billion each year to their local economies. They have limited access to private funds, they have diseconomies of scale, they fluctuate in student demand and they provide over 20,000 full-time jobs in their local communities by increment across the board. The regional universities provide for most of the external students in the country. They are the principal drivers of decentralisation and rural development; they are resource centres for research and consultation; and they support the arts. I suggest very strongly that they should be supported and should not be under threat. I have the feeling that, for example, one or two universities have been told by DETYA that if they do not get their act together by 2005 then their whole existence will be under threat. This is so arrogant and so unfair, and it suggests that the senior persons in the universities are not doing their jobs properly.

In the regional universities—I am looking at Newcastle, UNE, Charles Sturt and Southern Cross—the whole situation is that those people are doing a tremendous job within their regions. The same thing applies in Queensland and the same thing applies in Victoria and the other states. I make a particular plea across the board for this one, regardless of political alignment. I am speaking on behalf of members of a body that is not party political; they represent all shades of opinion. We do care about these matters. Therefore, I would suggest that the higher education area has to take account of it. That is a very brief statement. There are a lot of points I would like to develop but I think that the chair may wish to intervene at this point.

CHAIR—Questioning may give you that opportunity.

Senator CROSSIN—Dr Webb, you have outlined to us some of the differences between the US and Canadian style involvement of alumni associations. Are you suggesting we should move that way? Do you feel there is a greater need for the alumni association in Australia to embark on fundraising on behalf of universities?

Dr Webb—If, whichever government gets in, the government is determined that there will be greater involvement in private funding, then I think the universities have to look at this whole area because of the fact that there is a limitation on what you can get through commercial funding at the present time. The universities are out there trying to get support. So it is not as

though this has not been tapped, but it is a slow business. We have to turn around the whole way of thinking. There is a very good article by Don Aitkin called 'Stalking the wild alumnus', which is a paper that he gave in 1992 on this subject.

Of course, the traditions in Australia are quite different from the US. You are not going to turn it around easily. On the other hand, if you wish to have more private funding, there should be a good look at ways in which this can be done; but do not expect to get it paid off straightaway. Down the line you have to do it because the Americans have done it over decades—over several hundred years in some cases—but it is there if you want it. If you want to say, 'We will do it all,' you do not need to worry. If you say, 'We have to do this,' then this is an area that needs to be explored. Remember though that, if you expect them to contribute, you have to expect them to be listened to. They are stakeholders. Therefore they are expecting that you will take their advice on things because of the fact that their experience goes across the board over many years—we have young people as well as older people. Therefore we would be looking at the changes and giving our advice on directions. That is why I would suggest that, while we have not made any comments on what we regard as the disastrous situation in higher education at the present time, I have made quite a few comments in the submission about this and there is massive evidence—

Senator CROSSIN—Dr Webb, I am trying to get a handle on your association's views. Your submission actually says, 'The council regards the present funding arrangements as grossly inadequate.' Are you suggesting therefore that the amount of dollars being put into the university sector—public dollars—should be increased significantly, or are you suggesting that there should be a further increase towards privatisation and a bigger role for your association in that?

Dr Webb—We are quite clear on this one. We are not looking to become the major contributors; we think Australia will find its own solutions to it. I have indicated that you cannot expect alumni suddenly to pour out millions of dollars overnight; it will take decades possibly. There is no question that there must be more public funding because of the fact that the public funding is now grossly inadequate.

We have so much anecdotal evidence as well as statistical evidence about this. For example, at UNE we have a professor who has just had a breast cancer operation. She is doing 37 hours a week and she says that is a half load. There are lecturers around the place doing up to 27 hours a week. This is much worse than if they were in schools. How do you expect people in departments when they have been cut from 12 to three—and they have been—and they have big loads of students, to be able to do reasonable scholarship or research? How do you expect people to have time to do any of these things as well as administration? It has become much worse.

The staff-student ratio, which a few years ago was at 1:12 and gave people the opportunity to do proper research, has now gone to 1:21, 1:22 and up to 1:35. These are the sorts of conditions that there were in Europe in the years leading up to 1968. I was in France at the University of Montpellier in 1973-74 when the loads were 50:1 in the English department. This is the way things are going. What is distressing us even more, for example, is the fact that the core areas of arts and science are constantly being reduced and that departments are closing. I hear the

department of English closed at the Northern Territory university. This is cloud-cuckoo-land as far as we are concerned.

We still believe—and I believe I am speaking for the alumni in general—that universities are not just polytechnics and they are not vocational institutions only; they are about education in the first instance. If we want people out there who are looking for a wider vision and having time to think, they should have a background in the arts and pure sciences. Have a look at what has happened in maths, physics and chemistry by comparison with biology and computer science—down the mine.

My short answer to you is yes, we believe very strongly in this. The alumni are there to be harnessed in ways that universities can do it, provided they see it in the long term. Sure, it would be desirable for us all to get together, public and private. But in the meantime considerable public funds need to go into this area, because I know that these people are overworked, the morale is constantly low, people are being put off, departments are being closed and these people have to find other ways to go. As far as we are concerned, it is vital that the government, whichever party is in, does something and is not complacent. I am sorry I heard the minister praising himself last night on TV. Candidly, his complacency is misplaced.

I have to bring a personal anecdote in here. In 1996, like many others, I thought that the Liberals were going to do a fine job and I received the higher education manifesto entitled *Quality, diversity and choice*. I turned to item 4, which says ‘maintain levels of funding to universities in terms of operating grants’. I noticed that on the next page they had criticised Labor, saying in 1983 they had reduced the EFTSU funding by 13 per cent—very naughty people they were. Since then, in five years, they have reduced the money. In talking about gross funding without looking at all the other aspects, such as the contributions through HECS and the commercial activities that people are being forced into, the result is that universities are seen—and very sadly—in terms of being a sardine factory, and I quote Sir Hermann Black on this. It is not a sardine factory but I am afraid we have made it a sardine factory, each university. This is very sad. I am sorry to overtalk at you, but the short answer is yes.

Senator CROSSIN—That’s all right. I think there are quite a few of us—

Senator CARR—Dr Webb, can I just follow that through? You argued, like so many others before this committee, that there is a direct link between the starvation policies that have been inflicted upon universities in terms of public funding—

Dr Webb—John Tierney does not always—

Senator CARR—You will get to hear from him.

Senator TIERNEY—You are leading the witness.

Senator CARR—No, I do not think I am. That is what you have just said.

Dr Webb—I said it and I stand by it.

Senator CARR—That is what you have said. You have argued that there is a direct link between starvation policies and the decline in standards.

Dr Webb—For example, if the staff-student ratio declines, if people are overworked, if I hear that people are being pushed through, if the line has been drawn from 50 to 40 per cent and if full fee paying students are given an advantage—there is plenty of documentation; you have seen it all too—then of course we worry about things like that.

Senator CARR—Dr Webb, many others have supported you in that claim and throughout this inquiry—many other teachers, many other researchers and many other student groups. In fact, now we are getting some vice-chancellors to acknowledge it as well. Professor Mary O’Kane gave us a paper entitled ‘Has quality declined in Australian universities and examples of the quality decline in Australian universities’ and lists quite extensively other people supporting that view. The Australian Vice-Chancellors Committee now says that there is a crisis in the Australian universities. Yet there are some vice-chancellors who still argue or are reluctant to accept the fact that there has been a decline in quality. From your experience in dealing with vice-chancellors, why do you think it is that some vice-chancellors would argue that position, which is obviously contrary to yours?

Dr Webb—It is a very nice question. I refer back to 1996 when the Higher Education Alliance took place. You will recall the reason why the Higher Education Alliance was formed. Across the board it was with the AVCC, the learned societies, the unions, staff, administration, and the student alumni association—we were all in that. The Alumni Council was prominent in this. It was because of the fact that two months after this had come out there was an announcement that \$608 million would be cut from the budgeting. Therefore, there was an obvious reaction. Why did the Higher Education Alliance fail? Firstly, the university in particular—if we look at Victoria and we look at a prominent university in Victoria—

Senator CARR—Do you mean Melbourne?

Dr Webb—Senator, you said it, I did not.

Senator CARR—I am happy to say it.

Dr Webb—It broke ranks. The alliance failed because of the fact that certain universities thought that they were going to get the big jump. They were going to make the top 100. I am sorry, but in 1999 the University of Melbourne seemed to have the greatest funds overall—\$589 million. In fact, when you compare what is happening overseas, that is nowhere near the sort of funding that is going to be required to get them into the top 100. Numerous universities in the US have extremely strong financial backgrounds, as have the European universities and the Japanese universities. Therefore, this aspiration to break ranks and become top dog was counterproductive to the university system as a whole. I am very sad that that should have happened because I believe that, if we had had closer consultation instead of the government having the feeling that they had won the day and therefore did not need to worry, we might be in a very different situation now. So I do say that there has been a decline in that situation.

Senator TIERNEY—If we go back to the time when universities expanded rapidly from 1955 onwards, I cannot recall the time when the universities have said that they actually had

enough money. The calls of crisis have been longstanding. One of the things that possibly exacerbated this more than anything else was the reorganisation of the universities under the Dawkins reforms when, all of a sudden, we went from 17 universities to 36 without putting a cracker of money into the situation. Surely 10 years down the road we are perhaps paying the price for that rather radical reform—in other words, the setting up of a huge university system 10 years ago without putting a proper funding base under it at that point in time. Nineteen new universities without any money—that is what happened 10 years ago.

Dr Webb—Senator, an excellent political question.

Senator TIERNEY—I do not think it is a political question; it is a statement of fact. I was in the system when it happened.

Dr Webb—I believe you and I respect your background. I know that you understand the system very well.

Senator TIERNEY—Ballarat suddenly became a university and did not get any establishment grant, no additional funding. It happened right across the country.

Dr Webb—I am sure that you can blame the government of the time, and don't think that we didn't.

Senator TIERNEY—You do not seem to be doing much of that today, though. You seem to have a very short historical horizon, namely five years. I am trying to point out that the problems are more deep-seated and more longstanding than you are indicating.

Dr Webb—I appreciate your position and I would not disagree with it because of the fact that I have been in the alumni area since 1961. I have been with universities for the last 55 years and alumnus of seven universities. I have six degrees and a diploma. I have been across the board and I have been there. I say that of course there were errors that came out of what happened in 1988, the problem being that the line between CAEs and universities had blurred. This may go right back to 1976, when Malcolm Fraser was in government. Malcolm Fraser said that we had to have universities that were going to be focusing on the deeper aspects of the problems and that CAEs were going to be more practical—that is, they were going to be—

Senator TIERNEY—We are a little short of time and we are aware of—

Senator CARR—You wanted the historical context.

Senator TIERNEY—We were given the historical context. I think the crucial point you are talking about with the CAEs, if I can just sum it up, is that they were teaching institutions, they were not research institutions. We then moved to a point where suddenly they became universities and did not get, on their load of students that they had at that time, historically in 1988-90, additional funding for research.

Dr Webb—I agree with this. How can I disagree?

Senator TIERNEY—I am surprised you are not railing against that very major change that is the root cause of our problems in universities.

Dr Webb—I have in front of me a submission which I wrote in 1994 to the Hon. Simon Crean, protesting about things.

Senator TIERNEY—Would you like to table that?

Dr Webb—And to the Honourable Kim Beazley in 1993.

Senator TIERNEY—Would you like to table that too?

Dr Webb—I am quite happy to table these because of the fact that I have written submissions on behalf of this institution since 1992. I have been engaged in this in a much longer context. I agree that things went wrong with Dawkins. There was no doubt about it, and I know why it happened. It was because of the blurring.

Senator TIERNEY—Perhaps we could balance this; the witness has indicated that he is happy to table those documents.

CHAIR—As there are no objections, they are so tabled.

Dr Webb—I will add this letter sent to the Hon. John Howard in 1996 and the next one to John Howard in 1996. I am very happy to table all of those.

Senator TIERNEY—Terrific. Thank you for doing that. Can I just move on to another issue related to alumni?

Dr Webb—Yes, indeed. I know you have a short time and you do not want to hear—

Senator TIERNEY—You were talking about the difficulty for Australia's top universities to get into international rankings because of funding. Surely the reason a lot of these universities overseas are in the top rankings is that they receive additional funding from sources outside government that are incredibly extensive, and alumni have had a major role in that in the northern American and European universities.

Dr Webb—I agree.

Senator TIERNEY—Could you perhaps indicate to the committee the way in which the role of alumni associations may evolve possibly into the future to tap into or develop the culture that has been developed overseas to get a greater stream of private money underpinning universities?

Dr Webb—A good question, and very fair. The position is that, in order to get strong alumni associations, you have to get a close link between the undergraduate and the university—a loyalty. I have mentioned loyalty before, but it does mean that you have to bring them together and to make them feel, firstly, that they care and would like to care about the future of the

university and, secondly, that they have a voice. I see that the voices have been removed. Take the example of the University of Tasmania recently, where the council has turned into, really, a corporate directors meeting—and Victoria did this too. If you cut out representation and voice from alumni, you cannot expect them to care.

The reason so many of our ministers, including John Howard, who came from my school and my university, became disaffected is that the universities and their staff did not care greatly. They came in, talked at them and walked out. The more of a relationship you have, the feeling of common ground, the more you are going to get somewhere. As I say, alumni are important and can be made important again, but that will not happen overnight. You have to make sure that the university is seen as worth supporting. If you reduce standards and sell us out, the alumni will not feel that it is worth while. They will be disaffected from the whole system. You have to support them more and try to cultivate them more in all sorts of ways.

As a quick example, I have not seen the research used on university colleges anywhere in Australia, yet there is ample evidence from the US. I went through this because I am interested in university colleges across the board. Those who live on campus all the time benefit significantly in respect of grade point average, graduation passes, socialisation, loyalty and all sorts of things. There are studies. For example, 223,000 graduates were looked at in one state in the US, and 33,000 graduates were looked at in another state. These things happen. Where do they happen best? They happen best in rural universities such as UNE, yet here there is no real encouragement to do this sort of thing. We have the British attitude of commuting to universities. Commuting to university is a bit different from living on campus. I have done both—I have done all these things. There has to be a change in the wind if you really want to do it.

Senator TIERNEY—On your last point regarding the lack of connection between universities and their regions, I will pick a hypothetical example. Do we have a problem in this country of universities regarding themselves as ‘Oxford in the Mallee’? I have picked that example because there is no university in the Mallee, but are universities sufficiently linking into their regions and into their communities to encourage the two-way support that you are suggesting?

Dr Webb—Certain universities think that they are Oxbridge, and I can name two because—

Senator TIERNEY—We will not do that.

Dr Webb—I will leave that, but I do think that the regions are genuinely trying. I have read Cliff Blake’s submission, for example. He has been hot and strong and told you all about it, and I believe that. You will hear from UNE, and I am sure you have read their submission too. The others genuinely try to tie into the town and into the district. I speak as one who, as a retired academic from Sydney, is an honorary research associate with UNE and president of the Mary White Senior Common Room. We have connections in every aspect across the board, and I believe that they can be fostered. I do not think that it is valuable if they are seen as being on the slippery slope, and that is what I am afraid of, because I have the greatest respect for the University of Newcastle and the campus at Central Coast. They are extremely valuable universities.

Senator TIERNEY—Absolutely.

Dr Webb—I am pleading with you.

Senator TIERNEY—I refer to a point on page 2 of your submission relating to your study of educational research undertaken across Australia. You indicate that very similar research is being undertaken across the country. On reflection, why is there so much similarity and what could the ARC do to encourage wider exploration of issues and problems?

Dr Webb—There has been a suggestion that the safe way is to follow patterns that are already known to be safe because they get research grants. Innovative research has been regarded as dangerous research, and if you back an outsider you are much less likely to get the bickie. That is a problem that a lot of people have gone into. So many hours are spent writing research projects, and then what happens? If it is too innovative, they do not want to know about it. Of course they are looking at the safe options, and that is very sad. You have to take a plunge.

CHAIR—That concludes this session. Thank you for your appearance.

[9.51 a.m.]

BOURKE, Professor Sidney Frederick, Deputy Director, Centre for the Study of Research Training and Impact

HOLBROOK, Dr Allyson Patricia, Director, Centre for the Study of Research Training and Impact

CHAIR—I welcome representatives from the Centre for the Study of Research Training and Impact. The committee has before it your submission which we have numbered 102. Are there any changes or corrections you wish to make to the written submission?

Dr Holbrook—Not at this point.

CHAIR—I now invite you to make a brief opening statement. We will move to questions beyond that.

Dr Holbrook—Thank you very much. We have basically picked out some of the key features of that report. These comments are particularly directed to the area of postgraduate course work and research training and research impact. Other submissions have provided sound evidence of the effect of declining finances on Australian university education. We do not comment on that except to warn that the lack of funds is an increasing danger for the quality of research and research training in our universities.

There has been discussion in Australia that Australia should concentrate its research training resources on fewer institutions. However, it is important that most if not all universities in Australia should offer postgraduate programs across disciplines. One strong reason for this is equitable access to postgraduate study across a range of disciplines. Another is the benefits that flow to the community from contact with regional or local universities.

Recently Professor Bourke and I were engaged in a study of the impact of educational research in Australia. When we compared research being done in faculties of education around the country we did find a strong pattern of similarity in the types of research being undertaken, including the topics of research. The way we saw it was that this meant that virtually any qualified student in any state could go to their local university and undertake research of relevance to them and their professional needs. No funding model should restrict the opportunity for able persons in any discipline to seek new knowledge and to apply it, particularly the part-time and mature age research students who make up a substantial proportion of postgraduate and research enrolments. For example, commencing PhD students at Newcastle in recent years had an average age of 34, including an average of 29 for engineering students and 32 years of age for science students. These research students generally have work and family connections and commitments that prevent them from relocating to undertake higher degree studies.

By far the greater proportion of person hours spent on research in this country do come from research students. We found that in education students were doing research primarily for their

personal interest and to improve their professional expertise. Their studies are interest driven rather than directly linked to financial reward. Moreover, it was found that many of the postgraduate students in education, whether doing course work or research degrees, were providing a direct conduit—the research showed this very strongly—for the transmission of research knowledge into schools and educational policy making. Such connections between research and community are a very newly emerging resource of considerable value that will not bear the pressure of market forces.

The decrease in students undertaking postgraduate course work in education, in parallel with the imposition of up-front fees, is evidence of the attrition brought about by funding changes that bear no relation to community knowledge needs or aspirations or the hard work undertaken by professional groups, such as educators, closely allied with the university sector, to respond to community needs.

In the case of education there really is no ready money to fund a broad program of research. State departments of education have severely wound back their internal research efforts. Students will continue to provide, well into the future, a key research resource. This is not to say that systems should not change. We certainly have to re-evaluate what the university can contribute to Australia's current and future generations, national stability and wealth, but any reasonable evaluation of this kind must be based on needs and on sound premises—research based premises, I would argue.

Because of expense, access to higher degree study for all with a desire to undertake such work has come to be treated as an impediment to change rather than as an important equity consideration to be guaranteed and accommodated within the change process. There is also a need for the social continuity in this country and this culture, that is provided by the universities. Maybe we could come back to that in the questioning.

Long-term and systematic tertiary underfunding jeopardises the maintenance of existing pools of expertise, and we have data on this within universities. For example, in education, where we know most, over the last decade there has been a sharp drop in research expertise in the foundation disciplines, including educational psychology. There is absolutely no research that suggests that we will not need this expertise; however, there is no doubt we need to use this expertise more creatively. A funding model that reduces opportunity, expertise and access on the basis of little more than a philosophy of economic rationalism is perhaps worse than a stubborn refusal to change. Neither is based on sound foundations.

The importance of the quality of research is self-evident, which brings us to questions of research training and impact monitoring. Australia is not alone in the absence of a sound research base underpinning its research higher degree programs and yet, of course, they are getting such enormous emphasis now. At present, market forces are very much driving the direction of the debate on what should be included in the PhD process. We argue that the considerable dearth of research into how learning takes place at advanced levels—whether in universities or in the workplace—how research skills are assimilated and how programs are assessed and evaluated has to be addressed. It is an area that Australia can move into quickly and in some respects be ahead of the rest of the world in. Research training should be monitored but both the process of monitoring and its evaluation must also be informed by research. A thorough and integrated research program into research training and utilisation is overdue. The

DETYA program of discipline reviews and commissioned studies has to be supplemented by even more strategic research activity into higher education and its capacity to meet the nation's research needs.

One aspect of the educational research impact study I mentioned involved the development and testing of a methodology for monitoring research topic and discipline trends in education using information technology—data mining, if you will. With a few minor adjustments and a relatively small expenditure, for example, that monitoring in education could continue annually and replace the need for expensive and time consuming surveys in the future. Similar methods could be used across disciplines with the same potential benefits. We believe that an evaluation program monitoring the quality and quantity of research and its impact across discipline areas should be implemented. The pilot study that we undertook for the impact study indicates that very fine-grained analysis can be undertaken. I think Australia is in a very good position here because it is relatively small, therefore we can keep track of what is going on.

Research quality is a strong theme in the current debate on higher education. We are a small nation. Loss of expertise, the narrowing of possibilities, the cost of postgraduate research and the absence of adequate structures to monitor the outcomes and impact of research do not bode well for the capacity of universities to provide quality postgraduate training for our future.

Senator TIERNEY—In terms of the history of the university system, could you perhaps point to any golden age in research in our universities in terms of government funding?

Prof. Bourke—No; I do not think there ever was a golden age. I think that is just one of those things people say. However, I know things were better. When there was more time for university staff, as you heard in the last submission, it was much more possible to do research than it is today.

Senator TIERNEY—In terms of the government's recent announcement in Backing Australia's Ability and the \$1.9 billion for what some people, I suppose, would call a Knowledge Nation, there will be a doubling of ARC grants phasing in over the next few years. I did not notice any discussion of that in what you said.

Prof. Bourke—No. That is a positive, but if the staff do not have time to do the research, it is not going to help a lot and, with the ARC of course, it is very difficult to buy staff time. It is not part of the way that they fund.

Senator TIERNEY—When this committee did a study into university research in 1995, we were in a situation with ARC grants, for example, where the success rates were running at around 17 to 19 per cent. We were told at that time that a lot of researchers became disheartened with the process because the chances of success were relatively low. I am surprised that you have not made any mention of the doubling of that rate. In 1995, people around the country told us that probably 30 per cent of what goes into the ARC is absolutely first rate and should be funded. However, because of funding restraints, only about 17 to 18 per cent were funded. Half of those good projects just evaporated.

Dr Holbrook—I will pick up the time issue. To write a good ARC grant, you need to have a fairly long lead time. It requires a fair bit of time to get to the point where you are competitive.

So you utilise just about every ounce of spare time you have to do this particular kind of grant writing. However, I do not think that that is quite the issue. If money is thrown at research we have to work out the scope and the spread—

Senator TIERNEY—Don't you think it is unfairly pejorative to put it that way? If we are doubling grants, and if they were all crackerjack, first-rate projects, why is that throwing money at research?

Dr Holbrook—I feel that there is not an adequate structure for monitoring what the potential research outcomes can be for this nation. We have the ARC program but, for example, when they actually analyse the outcomes of that program, there is not sufficient depth of analysis of the outcomes and where the research is actually applied and those kinds of things. We probably do not have a strong enough information base to know what the most effective research strategies are in many aspects. I guess what I am saying here is that—

Senator TIERNEY—Hence that is why your centre was set up.

Dr Holbrook—I beg your pardon?

Senator TIERNEY—Is it a major role of your centre to explore that sort of an issue?

Dr Holbrook—We think it is an extremely important area, but I would strongly argue that it is an area that has not been taken up adequately by just about any nation. Certainly the literature suggests that. We have to get back to the fact that an awful lot of the research output in this nation, and in other nations—but definitely in this nation—comes from research students. More person hours are put in by students than by university research staff. That is an area that is being neglected in our understanding of research.

Senator TIERNEY—The latest trend in the Public Service is to measure things by outcomes, not by inputs. You have discussed growing pressure on academic staff to fulfil these functions, but let us consider research output in this country. There has been a claim that we are responsible for one per cent of the world's research, but in terms of citations and those sorts of things, we show up at about two per cent across the world. In other words, it seems as though we are punching about twice above our weight in proportion to our population. So in terms of outcomes, despite all the problems you have alluded to, surely Australia has quite a good record internationally in research output.

Prof. Bourke—I agree, and it is a tribute to our researchers. However, I also understand that the percentage that you referred to is declining. I do not know over what period the two per cent is that you are talking about. The latest evidence is that it is declining, so that again is related to—

Senator TIERNEY—Is it as measured by citations?

Prof. Bourke—Yes, as measured by citations and outright product.

Senator TIERNEY—You would welcome doubling the ARC grants, because if that is the case it will start coming back the other way.

Prof. Bourke—Do not get me wrong. Yes, I do welcome it.

Senator TIERNEY—It is first-rate research.

Prof. Bourke—I welcome it, but I suspect that it is not enough because of the point about staff time. The impact study that we talked about, by the way, measured by outcomes.

Dr Holbrook—In that impact study we found that measures such as research quantum were incapable of picking up the productivity factors, so that indicates to us that we need much better measures.

Senator TIERNEY—One of your most disturbing findings is the similarity of research being done across the country. Why is that? Is it different from, say, what is happening in the United States or in the UK? Researchers tend to get into safer patterns of research where they are more likely to get the PhD, the grant or whatever. Is that the reason?

Prof. Bourke—I do not think so, no.

Senator TIERNEY—What is the reason?

Prof. Bourke—The fact that the majority of research is being done by postgraduate students, as we have referred to, is more the answer. Students who are mostly part-time in education and who are mostly teachers or people in education departments are seeing the same sorts of problems, which they want to investigate, related to their professional lives. I am not surprised that those people across Australia are investigating in the same sorts of areas. It makes sense.

Senator TIERNEY—Do we have the right research model here? I did a PhD and went burrowing down a very long tunnel for five years, almost in isolation, with a bit of research support. When I was at Columbia I had a look at the model that they were following. The professor would come up with a project—it was for doctorates in education, not PhDs—and take a piece of that research. They would do that under the guidance of the professor and as a team approach. As a model for developing people in research, that was probably a better way than what we had traditionally done here. You might want to update us. Perhaps now there are better models for developing the training of our future research people.

Dr Holbrook—Certainly, there is a point in thinking about alternative models. I want to underpin that: we do not know enough about postgraduate learning. That is really an unexplored area. We do not know what good pedagogy is at the supervision level—whether it works better in the model that you mentioned or in some other model.

Senator TIERNEY—Has no-one studied that?

Dr Holbrook—No.

Senator TIERNEY—We have a centre of higher education in Melbourne, for example.

Dr Holbrook—They are not studying learning.

Senator TIERNEY—I am sure there are people in such centres overseas. No-one has actually looked at that.

Dr Holbrook—Would you believe this?

Senator TIERNEY—There is a new line of inquiry.

Prof. Bourke—We have research on this.

Dr Holbrook—It is not adequate. The next point is that it depends on what discipline you are looking at. One thing that you may know about is that there has been strong concern over the years that educational research, which is a large proportion of research and quite diverse, has had very little impact because there have been no major team based studies, or not enough perhaps. Concern about the impact of educational research is evident in every western nation. However, when we did our analysis we found that there was a conduit model of research. In other words, people who come back to do postgraduate research are an incredibly strong conduit for the direct transmission of educational research into the workplace and other settings and the tide has turned. Educational research is having an impact. It is no longer in that netherland of teachers not relating to research. We have very strong evidence to the contrary. That evidence is being looked at very closely by every other country that is interested in this issue.

One of the things we come back to here is that a lot of these students are studying issues of very great importance to their schools, their district, their local educational group or whatever. Their research is actually making a difference in schools at that level. In the British system at the present time, they are looking to expand that model of research within education of individuals doing work specifically related to their school district. Once again that is another area we need to monitor and look at. It also indicates the importance of adequately funding our research postgraduate students and having models that are applicable to professions. There cannot be one model for all.

Senator TIERNEY—In these hearings we often get sweeping generalisations on things. I was wondering whether you could tie that down a little further. Are you saying that research is having an impact on classroom practice?

Dr Holbrook—Yes.

Senator TIERNEY—I am sure in some schools in some areas it is. The problem we always have in these committees is trying to establish the scale of what people are saying. Is that one per cent, 10 per cent or 50 per cent? In an area like New South Wales the average age of a high school teacher over the last 25 years has gone up from 26 to 47. Those people have been in education for a long time and have not had any postgraduate education. There are no incentives in the system for them to do that, and they have not done it. Are people who have been out 20 years actually picking up research and applying that in extensive numbers?

Prof. Bourke—It is the conduit thing again. The percentages do not come readily to my mind, but I have a rough idea and they are all in this DETYA report, which I would refer you to.

Senator TIERNEY—Excellent.

Prof. Bourke—Let me say that the people who do come back and do postgraduate work—and that is perhaps happening more because they are older and can turn to other things rather than surviving in the classroom—are the conduits back into the schools. This is what the schools were telling us. The schools were saying that these people are coming back and this is where our ideas come from for things to be changed in the school. It comes from our peers, particularly from our peers who are coming back or are still currently engaged in higher degree studies.

Senator TIERNEY—If someone goes off and does a masters and comes back—

Prof. Bourke—They do not usually go off, in fact.

Senator TIERNEY—I am sorry. They are in the classroom too?

Prof. Bourke—Yes, they are part-time.

Senator TIERNEY—They come back and say, ‘This is great. We should do it this way.’ Are they able to take the staff with them?

Prof. Bourke—In many cases that seems to be the case. The principals are certainly telling us that in this study.

Senator TIERNEY—We have had evidence in another inquiry that the model does not work particularly well in terms of in-service. We are doing an inquiry into gifted and talented children, for example, and in Victoria their approach was to pick teachers from a range of schools, bring them together, do an in-service and then send them back to the schools to try to disseminate. But the other teachers have not had the experience. I think a fair take out is that it probably does not spread.

Prof. Bourke—Yes. That is because they are coming back to produce a certain thing.

Senator TIERNEY—Wouldn’t a researcher be doing that?

Prof. Bourke—No, not usually. They are usually just coming back with a greater knowledge of research, how to go about looking it up and how to go about finding the best way of doing things. They are not so much pushing the barrow, but being a conduit to the world of research. The people in the schools ask them about something and, if they do not know, they often ring one of us, because they have that contact with the research base. I agree with you that that particular model of disseminating one thing does not seem to work too well.

Senator TIERNEY—In your submission you refer to a lack of peak bodies to disseminate results of studies. I am trying to get a grasp of what structures you suggest would get a better outcome.

Dr Holbrook—One idea springs to mind. The Australian Council for Educational Research, which was the only independent research body in education in the nation until recently, was funded by a core grant through the Commonwealth. Therefore, it had a fairly important role in setting an agenda for research in education. That is an example of how a peak body can help define an agenda based on research, international movements, and the experience and expertise that exists in the country.

Interestingly, their core grant has been withdrawn. At the present time, therefore, we do not really have coming up in any shape or form a group—in education, for example—that can look at the overall trends in the research agenda and act as some kind of clearing house mechanism. Such a group would represent peak research associations, government groups and other professional bodies, and would set up some kind of research agenda. It would make sense that this would be across different disciplines. In education it is certainly long overdue. In terms of this we are looking at a bit of a black hole in the future.

Senator TIERNEY—Many years ago I had a look at something called educational laboratories in the United States. The idea of these was they would set up high quality research and university researchers would move into these institutions. I think in America there were about 18 of these at the start. They then ‘lived and died’ by the research they did. In other words, there had to be groups that would contract them. It might be, say, DETYA or a school system or equivalent. The point at the time was there was too much research in universities ending up on the shelves gathering dust: great research was being done but never getting applied anywhere. I think it was a mechanism for actually doing that in America. Do you think that sort of a model would be useful, or aren’t the research culture and the institutions who would want the research at a mature enough stage of development for such a thing to work? It is separate from universities, but with people trained in universities.

Prof. Bourke—I spent a bit of time at the San Francisco Far West Lab. They were having exactly the same trouble. This, admittedly, was some years ago.

Senator TIERNEY—Do they still exist?

Prof. Bourke—They were saying exactly the same sorts of things about problems of dissemination that we were saying at that time. That didn’t appear to have solved the problem. America is such a different sort of a country. In Australia particularly, where we are so widespread and so small, the important thing is to have these things close to the ground—hence, part of our argument for the regional universities. I do not think setting up a central lab in Australia would work. How many of those could we do, anyway? Setting up one or two or three would certainly be a backward step if it meant that there was less capacity for research to go on in the universities.

Senator TIERNEY—I think the point was it was trying to move the research to an applied focus, which has been one of the main thrusts you have had here today.

Prof. Bourke—I think you would find that most educational research done in Australia would be pretty strongly applied. It would be more than half, and probably three-quarters.

Senator TIERNEY—I suppose the other advantage was actually putting a team of people intensely together. There were all sorts of projects occurring, as you would have seen at Far West. Then there would be a research synergy developing in education.

Prof. Bourke—That is fine for those people but, if most of the research effort is done by postgraduate students and they are not mobile and able to move to that laboratory, it does not help much.

Senator TIERNEY—I came back and made a recommendation 20 years ago that we adopt a similar approach over here, but no-one has ever taken it up. I was wondering if, 20 years down the track, it might be more appropriate—or are we still not at that point?

Prof. Bourke—I think it is just not suitable for the Australian situation.

Senator TIERNEY—For Australian culture?

Prof. Bourke—Yes.

Dr Holbrook—We know that a model is emerging, with goodwill on all sides, where university staff and schools are working very closely together nowadays to enhance impact. We are really concerned that this new synergy at the grassroots level, where the universities and the professional groups are working very closely at that ground level, will be disrupted by the problems that are prevailing in the university systems.

Senator CROSSIN—From my point of view, your submission today raises quite a number of insightful conclusions about what is happening with research in this country. I thank you very much for that, because I do not think we have had a witness appear before us yet who has given us such a breadth of understanding of where research is going. I think your submission has been particularly helpful.

There are a few areas I want some more information on from you. You alluded to the fact that more research is being done these days by students than the actual researchers in universities. Do you think the current funding situation and the increase in academic loads, in terms of teaching or student contact hours being greater, will lead to a further decline in researchers in universities undertaking this role? What impact will that have?

Prof. Bourke—Yes, I think it is inevitable. Staff in general are severely overworked. They hope that there is a light at the end of the tunnel, but I do not know how long they can continue to say, ‘Yes, I will take that PhD student because I am really interested in the topic. I will add it to my workload and get virtually very little credit for it in my workload but because of my interest I will do this.’ I do not know how much longer staff can continue to do that, frankly. I am really concerned about a number of my colleagues who are working under quite unreasonable strain.

Senator CROSSIN—We hear of the government doubling the research grants. Are they simply just papering over the cracks?

Prof. Bourke—No; I think doubling the grants is more important than that. But, as I was saying earlier, I do not think it is going to solve the problem. It is not going to solve the problem of staff time, in particular.

Senator CROSSIN—So who do you see in this scheme of things actually utilising and taking up that money? It obviously won't be researchers based in universities.

Prof. Bourke—I think that they will be taking up the money and hopefully they will be able to get scholarships for research students, to support their research students to work under them in this. That is another problem, of course: research students, unless they are attached to a member of staff who has research money, virtually have to fund their own research. That very much limits the type of research they can do on some occasions. This is why you have team based research in the hard sciences. It is because they have to. They cannot go and buy another million dollar piece of equipment for one or two students; they have to work within the laboratories of existing staff work. In education and the humanities generally, it is not so intensive in that way. They can still choose their own topics rather more. To the extent that they were working as part of a research grant, I guess that could restrict their topics somewhat, but it is a better solution than none, I think.

Senator CROSSIN—In the research you did across the education faculties, how did you define, or did you look at, the quality of research that was happening?

Dr Holbrook—This is one of those areas that is fraught because we have no clear standards of quality, even if for the postgraduate research outcomes. We are currently doing a study into the quality of PhD outcomes: can we produce some kind of typology of quality based on examiners' reports? It is at that fundamental level. We have so little knowledge that we are having to do this foundational research—nobody has done it before—to even assess the quality of PhD research. If you combine pressure on universities—particularly on university staff—with increased expectations of PhD students with less time, possibly, for those PhD students to produce their outcome plus very little clear understanding of the pedagogy of supervision or of the quality of research outcomes, you then have a critical problem. We need to put resources into understanding that grouping of issues as well as putting money into researchers.

Senator CARR—However, there are quite objective measures. You say reduction of time. If the time spent on postgraduate work by course load and PhDs by thesis is declining—for instance, at Sydney university it has been reduced from five to four years and now there is a proposal to reduce it to two years—surely there has to be a significant decline in quality?

Prof. Bourke—It is a very indirect measure, but I would tend to agree with you. I had not heard of the two-year idea, by the way.

Senator CARR—Have a look at the evidence before this committee. That is the situation we are finding in a number of institutions across this country. I have not heard you talk about the link between the responsibilities of academics in teaching and research, and the quality.

Prof. Bourke—That is something else we could have talked about, but we—

Senator CARR—We are posing the question to you: what is the impact of the funding cuts on the quality of the educational experience? It seems to me that the overwhelming body of evidence is that there has been a significant decline. Please comment on that proposition.

Prof. Bourke—I could not disagree with that, except to say that staff, to the extent that they can, are picking up the extra workload.

Senator CARR—I am not trying to suggest that people are bludgers. The question that I am trying to put to you is whether or not there is any significant evidence of a decline in quality. The proposition has been put to us from around country from staff, from students, from people associated with universities—even now, vice-chancellors—that there is a significant decline in quality as a direct consequence of the funding cuts. But you seem to be saying that you have to do foundation research on this.

Prof. Bourke—No, we are talking about research level students, and there is no evidence of decline at that level. Why that might be the case, I do not know, except that I am suggesting that staff are putting every effort they can into that. I do not think that I could deny it, although I do not personally have the evidence of decline across the board. It just seems to me that, where universities generally are always looking for ways now to reduce—

Senator CARR—To reduce their costs. But what happens when your laboratories deteriorate and are not replaced? What happens when laboratory class sizes are increased, when access to infrastructure declines and when there are obviously quite significant increases in lectures and a whole range of other areas? Surely all of that feeds into a situation where others—for example, the Vice-Chancellor of Adelaide University—have identified and have given examples of quality decline in Australian universities and list these sorts of things. Surely they have an impact on research as well?

Prof. Bourke—If they do, we have not yet measured it.

Dr Holbrook—There is also a bit of a lag effect. Remember, we are talking primarily here about PhD students when we are talking about research students and, of course, we have got a lag effect of six years. We certainly are finding—

Senator CARR—Maybe four, maybe three or maybe two now.

Dr Holbrook—Yes, with the current data. We really only have data to 1998 for a whole range of reasons. I can give education as the example here. There is a clear decline in students prepared to do foundational research. We can only guess at this, but we know that foundational research is crucial to other research and that they were the main component of producing foundational research—they did a lot of applied projects, but they also played a very important role in that. We can see, even between 1996 and 1998, this incredibly steep drop in students doing foundational research. This is because a lot of that was lab research and other kinds of research that require money and commitment of other kinds within the university and because staff members are no longer there because of attrition and non-replacement of people—for example, those with very high level psych skills. We know that there is a decline in psychologists in education, and we are very worried about it. If these are links to quality and if

we define quality as the scope of research to benefit the nation, particularly in terms of the nation's schools, then yes, there is a problem there.

Senator CROSSIN—I am interested to explore the comments you made about research now being undertaken by students, I think you said earlier, because they actually want to do it. It is not linked to any career or monetary incentive and it is, in fact, feeding back into the community. Yet, on the other hand, we have got this great push for and by companies to actually invest in universities and to set up research centres and establish that sort of focus to benefit their own industries. What is actually happening here? Is the market actually saying, 'We really want research for community linked purposes, for interest purposes, as opposed to industry'? Or have we got a balance of them both happening?

Prof. Bourke—The problem here is that the evidence we have referred to there is just related to education. It is the teachers who are taking this back to the schools and they are doing it from interest because, in the main, given the way that the schools and the education system are set up they do not get the benefit of promotion or more money for having research or any other higher qualifications. That is not true in the private school sector—there they can, but that is a relatively small group. So our evidence is based on that. I think that you are right about other fields, but our industry, which I guess is the education departments around country, does not have a lot of money or, if it does, it is not prepared to spend it in this way. In fact, education departments have cut out their own research branches to a large extent. So the problem is that we are talking about different industries: education and the rest. Our work to date has been based around education, although we are suggesting that our centre could move beyond that and has, in fact, begun moving beyond that, with the PhD study.

Senator CROSSIN—So you have not done any work that looks at the application of research in the private sector and how that is being used and why?

Dr Holbrook—We do know from previous ARC research that only a very small proportion of students who do PhD work get the opportunity to actually do similar kinds of research work in industry. Once again, though, we are really hitting here another issue—that is, intellectual capital. What are our research students contributing to intellectual capital, and what is indeed intellectual capital? We have to make this nexus between training, the qualities of advanced learning and intellectual capital, and we know that everybody is having a great difficulty in defining intellectual capital. We are making huge leaps into the future with very little information and very little planning to try to actually obtain that information. We are very concerned, and I suppose this is where I said before money is being put into research but perhaps we do not adequately understand the potential of the money that is being put into research. We have got to think about these issues far more closely.

Senator CROSSIN—Thank you.

CHAIR—That concludes the questions. Thank you for your appearance.

Prof. Bourke—Would you like us to table the additional comments that Allyson read out?

CHAIR—Yes, we would appreciate that.

Prof. Bourke—We do not need to table this DETYA report, but if you are not aware of it you might like the reference. It is the Impact report. I am sorry for its size but it is not all ours. Ours is one fairly large chunk of this but not the whole report.

Proceedings suspended from 10.32 a.m. to 10.52 a.m.

KLEEMAN, Dr John Douglas, Director, Planning and Institutional Research, Office of Vice-Chancellor, University of New England

MOSES, Professor Ingrid, Vice-Chancellor, University of New England

CHAIR—Welcome. The committee has before it your submission, which we have numbered 188. Are there any changes or corrections you would like to make to it?

Prof. Moses—No.

CHAIR—I now invite you to make a brief opening statement, and we will move to questions beyond that.

Prof. Moses—Thank you. I would like to take this opportunity to highlight a number of points from the university's submission and comment on some of the other submissions from UNE. As you know, UNE is geographically isolated, and I made that point in the submission. The community therefore expects the university to provide a comprehensive range of educational programs. Over the past few years, the university has experienced severe financial difficulties due to the six per cent budget cuts to operating grants across the system, the decreased funding per student, and the cessation of any subsidy for salary increases. The pressure to find diversified sources of funding causes problems for a rural university located in a region that is far from affluent and has no big business. The university community strongly believes that universities in rural communities are disadvantaged when they have to find significant proportions of their operating funds in the marketplace. A number of other UNE submissions refer to this, including to a lack of understanding of the pressures on the university.

At this point, I would like to stress that, following a period of internal upheaval with amalgamations, disamalgamations and blaming whoever got them into the mess in the mid nineties, over the past few years the university has experienced a period of stability and a regaining of health, despite the severe funding situation. The chancellor, Dr Pat O'Shane, has been exemplary in her leadership of the council. She makes a very careful distinction between governance and management, and her insistence on correct procedure has not always been appreciated by all council members. Council operates according to a code of ethics, and there are induction programs for new council members. The chancellor, in the four years I have been there, has made no secret decisions and has never acted inappropriately.

In these critical times, management too has been attacked by a few staff and students. However, the New South Wales Auditor-General, DETYA, independent accounting and auditing firms have all confirmed that UNE is properly managed. The allegations made by one staff member have not been and cannot be substantiated, and indeed they have not been made to council, to the university, to ICAC or to our internal auditor. Most of the allegations are based on misinformation and hearsay. In a small university and small town, rumours flourish. However, we would expect our staff to apply some scholarly rigour to their public comments. The lack of substance in Dr Battin's submission is not in any way representative of the depths of scholarship at UNE.

The pressures from government and DETYA on universities in general have been to streamline, to cease offering unprofitable courses, to close down disciplines so that the more viable areas could be better resourced. Some of the UNE submissions refer to this, though not all of the statements made are accurate. The public campaign conducted by some of our staff and students has highlighted, once again, that neither students nor staff nor the public are willing to tolerate rationalisations, particularly in a regional university. As an isolated university, we are well aware of our responsibility to provide diverse and high quality educational programs, but, if there is not enough student interest in some of our disciplines, we have no choice but to cooperate with other universities—as we do—or to close these disciplines.

The funding cuts and the lack of salary subsidisation over the past six years have severely disadvantaged the University of New England and her students, as the diversity of teaching has been compromised and the quality of teaching is only maintained by a work force that is pushed to the limit. UNE's flexibility in being able to take initiatives in teaching and research and to be responsive to market needs is minimal as there are no reserves to fund initiatives and as the industrial and community climate do not support restructuring.

Therefore, I would like to reiterate the recommendations made in the submission—namely, that we strongly recommend that the Senate inquiry support an increased per student funding, which would alleviate some of the dysfunctional processes in universities. We would also recommend that a third government funding line be established for servicing regional development needs. Among UNE's internal students—and internal students are only a small proportion of our total student number—the majority had to leave home in order to attend university, thereby incurring accommodation, living and travel costs often beyond the means of rural and regional households. Therefore, we would strongly endorse special allowances for students from rural and isolated areas who need to leave home in order to study at university.

UNE has found it particularly hard to attract senior staff, as a comparative lack of consulting opportunities and of work opportunities for partners is a significant deterrent. For universities to be able to attract and retain high quality staff, salaries need to be increased. Universities like ours can only afford this via increased per student funding or the resumption of funding salary increases.

The size and the growth of the university and its direct associates has a significant direct effect on the local economy. A study just concluding—which was funded by DETYA—shows that the University of New England introduces directly and through multipliers around \$280 million annually as gross output to the local economy. This represents 32 per cent of the local economy—indeed a very high level of community dependence upon the university. The population of Armidale is only about 20,000. Without the university, there would be around 12,000 people. So both the local and the regional community would be less viable without the resources and the impact of the university.

The University of New England's motto is 'We are open to change, open to challenges, open to our communities.' We have been trying to accommodate changes in the student population, in the demand for new courses and new forms of learning. We have changed teaching methodologies and the organisation of teaching and the curriculum. We have been open to our communities and to joint ventures. We have been open to the challenges of the marketplace. But

in the end it is a political decision: should rural Australia have a university? We believe there is a resounding yes to this by the inland communities. Our funding needs to acknowledge that rural Australia has a small and dispersed population base but that this population has the same rights to access to a university as have other Australians.

Senator CARR—Thank you. My calculations suggest to me that, if I were to rely on the triennial reports, your university has in fact received \$7 million per year less in operating grants in 2001 than it did in 1996. While you mentioned a six per cent cut for the whole sector, in your case there has been a real cut of eight per cent. That is inclusive of the HECS contributions. If I look at, for instance, staff-student ratios, I see that you are up from 20.1, up from 17.71 in 1996, and you are well above the national average of 18.8. Can you confirm that you in fact have \$7 million less in operating grants from the Commonwealth, a real cut of eight per cent from 1996 to 2001?

Prof. Moses—I would have to get Dr Kleeman to get the details, but it is not quite straightforward. The university in years past did not meet its target, and so some of the rearrangements or readjustments might have something to do with that. We are funded on an agreed target and we are meeting the target. We have been meeting them in the last few years, but there were times in the past when in fact the university did not. The cut which we have experienced is not a cut which is in any way arbitrary to the University of New England. It has something to do with our profile.

Senator CARR—But is it a fact that you have \$7 million per year less in operating grants in 2001 than you did in 1996?

Prof. Moses—Is that correct? Do I accept what you said, or do you have other figures?

Senator CARR—No. You refer to the six per cent for the whole sector. My advice is that it is in fact eight per cent in your case, with \$7 million effective real cuts per annum.

Prof. Moses—I would have to get my executive director to give you the details on this, but the thing is that, while we have experienced the same cuts as everyone else, the university has also had, as I said, eras of turbulence, where we had actually got funding for students we did not have, and so we had to repay that. But of course it does have an impact on the university.

Senator CARR—Dr Kleeman, do you have any further advice on that matter?

Dr Kleeman—If we could come back to you on that, it would be good. I would suggest that in probably 1996 there was an advance against a future year's operating grant that may be muddying the picture slightly. My take on it is in fact that we are in line with the rest of the sector in having the same six per cent as a baseline.

Senator CARR—Would you agree, though, that your student-staff teaching ratios have increased from 17.7 to one in 1996 to 20 to one now?

Prof. Moses—The staff-student ratios are pretty contentious, I gather. But if you quote these figures and they are in the public domain, we will take them as correct. They have increased right across the system, of course.

Senator CARR—Of course they have. The national average is 18.8. You are considerably above the national average.

Prof. Moses—Yes. You realise that the staff-student ratio varies between different disciplines. We have had in the past few years a very great influx of law students, and law on the whole has a fairly bad student-staff ratio. Our law school has grown so quickly that it actually contributed to the negative staff-student ratio.

Senator CARR—Sure. But can you confirm that the average—which is worked out on the same basis across the country—is 18.8 according to AVCC figures and that yours is now 20 to one?

Dr Kleeman—Correct. Our student-staff ratio is now 20 to one.

Senator CARR—You can confirm that?

Prof. Moses—Yes.

Senator CARR—Would you say that the reductions in funding of the order of those increases in staff-student ratios have led to a decline, given that the various programs you have cut away—you have referred to engineering, arts and a number of others in your submission—have led to a decline in the quality of the educational experience?

Prof. Moses—In terms of the educational experience, yes. It was very interesting listening to Dr Webb at the beginning, because UNE has half of its campus based students on campus as internal students. So we have always prided ourselves on giving a really good education and living experience to our students, and there is no doubt that, when the funding gets tighter, some of this extra nurturing of students and some of the support systems would have been cut back. They are still better than in many other universities. We have, as you might know, one of the highest student satisfaction rates in the country.

Senator CARR—Yes. Every vice-chancellor will tell us that they have got the best educational experience in the country.

Prof. Moses—It is in the public domain.

Senator TIERNEY—It is true in your case.

Prof. Moses—It is. Thank you.

Senator CARR—That is right. They have all been misleading us. That is fair enough.

Senator TIERNEY—The vice-chancellor has the hard evidence.

Senator CARR—The point about all of this is that the funding cuts are having quite a dramatic effect on your capacity to actually meet the educational needs of the region; would you agree?

Prof. Moses—Yes. In my submission I said that, of course, while the majority of our internal students come from inland Australia, from southern Queensland, from down the coast and the inland of New South Wales, and from Victoria, we are also a national university—and certainly our distance education students come from all over the country. But the vast majority of our students are from rural and regional areas and from a socioeconomic level where they are actually often first-generation students, and they do need extra support.

Senator CARR—I will just go through the list. We have mentioned staff-student ratios. What about infrastructure—laboratories, library facilities and other such matters? Do you think access to those has become more difficult, and has the quality of the services provided fallen?

Prof. Moses—Because of our, you could say, student centredness we have been very concerned about this. I would say that in terms of student labs, we are fine—certainly in terms of computer labs. We have been getting grants from DETYA on special application for upgrading the IT infrastructure, but there is no doubt that in the science faculties we need more maintenance and more renovation, with the asbestos problem and so on.

Senator CARR—And I see from the arts faculty that there is a reduction in the teaching of languages.

Prof. Moses—Only one. Modern Greek went to the University of New South Wales and, in exchange, New South Wales is now advertising for their students to take Italian at UNE.

Senator CARR—Would you say that in the arts faculties and the humanities the lecture sizes have increased?

Prof. Moses—Our class sizes at UNE have always been relatively small. I think what has happened is that there were early retirement schemes already in 1995 in the university, and staff went in droves and were not replaced—which means that the pressure in some areas is very high, because there might be only two or three people teaching a discipline. For instance, that makes it very hard for people to go on study leave. So while we have actually not cut any courses, except engineering, and we have cut one discipline, which is modern Greek, in many other areas staff are hard pressed. When you look at history, for instance, they cannot really teach the whole. They have to specialise in areas of history.

Senator CARR—So there is a narrowing of provision.

Prof. Moses—Yes.

Senator CARR—I draw your attention to this parlous financial situation. Your university has been named 1998 and in 1999 as having a negative financial safety margin. This is when the financial safety margin under this government has declined from 6.5 in 1997 to 4.6 in 1998, if I remember correctly, and then to 4.4 and down to 3.3. You still have a negative financial safety margin.

Prof. Moses—I am not sure whether it is negative at present. We are very much aware of those figures; they were originally produced by Deloitte et al. We have been modelling it ourselves and have provided the figures to DETYA for our profiles discussions. We are very

much aware of the tightness of our finances, and I refer to the lack of reserves for funding initiatives. But because we are aware of it, our finance committee of council—and, indeed, state and federal parliamentarians when we speak to them—are all confident that the university is not in a crisis. It is in a tight financial situation, and we keep going to DETYA for funding under the various competitive schemes, because we do need to get extra funding.

Senator CARR—The problem is that the Commonwealth minister put a cabinet submission in, which has become public in the last year. If I recall correctly, some eight regional universities were identified as being close to collapse. They are financially in very dire straits. What are the consequences, do you think, in terms of your prudential responsibilities? Presumably this is what you are trying to explain to your staff. What are the consequences in terms of you as the vice-chancellor if the university is not able to meet its liabilities?

Prof. Moses—The university is. For instance, the university took TCorp loans in the mid-1990s and we have been repaying them regularly. We will be seeing some relief because most of the loans will be paid off by 2004 or 2006. We are paying them off at the moment with capital roll-in funding, and that means we will have more money available to address infrastructure problems like building maintenance or even new buildings. We have not been told by DETYA that we are one of these eight. DETYA is very much aware that we are in a tight financial situation and need resources, apart from the per student funding, and we apply for them when they are available.

I have to say, having come from three other universities before, that many staff at UNE do not understand the pressures on the university system. I was at UTS in Sydney, and Sydney University was there—you looked out at Sydney University. You had New South Wales University, Macquarie, Western Sydney—everyone was there. The competition for resources, whether there were good students or staff, was palpable. At New England, a lot of staff would hardly believe you if you said, ‘There is no more money.’ We have become very transparent with our budgeting since I have been there. We publish the budget papers and we say where the money comes from, where it goes, how it is distributed to the faculties and also the priorities. Because we are a university where students spend a lot of time—as I said, half of them live on campus—the infrastructure has to be attractive. You cannot say, ‘Let’s put all of the money in staff salaries,’ if there are no students wanting to come because the campus is dilapidated. We are trying to balance. Our staff are paid in the middle range of Australian university staff. They were before enterprise bargaining started, and they have been at the end of enterprise bargaining, but it will be very hard to find the money because it is in effect a cut of about 12 per cent over a few years.

Senator CARR—Maybe that figure I gave you of an eight per cent cut was wrong. Do you think it may be 12 per cent?

Prof. Moses—No. They are effective cuts because there is no salary subsidisation apart from the safety margin. We are trying to educate our staff on the reality in the higher education system because we are part of the higher education system and what we are experiencing is in no way similar.

Senator CARR—It has been drawn to our attention that, while these financial difficulties have been experienced, vice-chancellor salaries have increased substantially. It has been put to

us that yours, in particular, has increased significantly during that period and has, in fact, been substantially higher. How do you respond to that?

Prof. Moses—The New South Wales figures are, of course, public. They have been published in our annual report and in the *Sydney Morning Herald*. I think I was higher than only the vice-chancellor of Southern Cross. There was a group of us who were in the same band. We were on the bottom, apart from Southern Cross. We are talking about not only salaries but also salary packages, which include superannuation, a house—I live on campus—the fringe benefit on the house, a car and the fringe benefit on the car.

Senator CARR—But it does not include the drivers and the—

Prof. Moses—I do not have a driver.

Senator CARR—I know—I am in your defence. The others have their drivers and their cooks, and they are not included in these packages.

Prof. Moses—I am very aware of that. When my contract was renewed, it was not done in secret. The chancellor spoke to either all or most council members prior to that. Then it was raised at the council meeting. My new contract actually formalised in an Australian workplace agreement what I already had. I did not get an increase in salary as a result of the renegotiation of the contract.

Senator CARR—I appreciate the candour with which you have responded. I note that your approach is very different from other vice-chancellors, particularly in Sydney where these issues have caused such public controversy. The New South Wales government is undertaking a review of New South Wales university legislation and financial regulation arrangements. Are you aware of that review?

Prof. Moses—Yes.

Senator CARR—And you would be aware of the meeting that was held on 19 June with regard to those matters?

Prof. Moses—Yes.

Senator CARR—This might provide you with an opportunity to address some of the concerns that have been expressed with regard to the issues of public liability, especially in terms of those loans you have mentioned and the developed guidelines for the establishment and conduct of controlled entities, because the New South Wales auditor has also expressed concern. Do you think there is a need for there to be improved prudential regulation with regard to those opportunities?

Prof. Moses—The Auditor-General last year had an investigation of, I think, 150 public sector institutions, including the 11 universities, and found that most institutions, including hospitals, had out-of-date charters or by-laws that did not accommodate practices which were common. For instance, a number of us are not allowed by our charter to offer courses outside the state or overseas. So we immediately—we were the first—went to the minister and asked

whether we could have our act changed. It is the same with the controlled entities. We are getting conflicting legal advice on what is and what is not a controlled entity. Our audit and compliance committee of council has been looking at the risk associated with controlled entities for some time. We have only very few.

Senator CARR—We could talk about a number of these issues at length, but time is short. The question has been raised with us by Dr Tim Battin and senior members of the NTEU branch concerning what is described as ‘government issues’, in particular questions about the public criticism of Dr Battin for putting a submission to this inquiry. It is a comment that has been brought to our attention by way of email. I do not know whether you have seen that email.

Prof. Moses—I did not send out an email. The President of the local NTEU branch sent out an email.

Senator CARR—I take it you have seen that?

Prof. Moses—Yes, I have.

Senator CARR—Have you seen the submission from Dr Battin?

Prof. Moses—Yes.

Senator CARR—He has made comments regarding the authoritarian behaviour of senior officers of the university. You say on page 2 of your submission that you deal with matters in an open and transparent way.

Prof. Moses—Yes.

Senator CARR—The evidence presented to the committee suggests—in fact, it has been put to us quite directly—that there is a poisonous atmosphere at the university with regard to the way in which staff and senior management interact. How do you respond to that?

Prof. Moses—A poisonous atmosphere certainly developed during the enterprise bargaining. The vast majority of staff would support what we are trying to achieve. The vast majority of staff respect the chancellor. There are a few people in the university who have systematically tried to discredit senior management. In a place like ours, where the media live off the university, it does enormous damage. They always initiate going to the media, whether it is print, radio or TV. I as a vice-chancellor can hardly respond. I personally do not take my staff to court for defamation. But the emails which have been poisonous have mainly emanated from a few people.

I would not say that the general relationships are poisonous, but there are certainly poisonous emails floating around. I would agree with that. I would completely reject some of the statements which Dr Battin made. He never provided any evidence. As I said with respect to what he said about council, he does not even know because he is not a member of council and he has not attended any council meetings. That is all hearsay which has been passed on. As I said, there has been a systematic campaign to discredit some of us.

Senator CARR—But you would agree that people in this country are entitled to criticise parliament and the behaviour of politicians without necessarily physically attending parliament to do that.

Prof. Moses—But no-one has been stopped from criticising. I have not criticised Dr Battin. I pointed out at the academic board that he had made two late submissions. I did not say anything about what he said about management, but I did say that he was, by implication, naming several people, including Dr Kleeman, for incompetence, and he was having a go at the Pro Vice-Chancellor Academic about being power hungry. The Pro Vice-Chancellor Academic works with the academic board. I pointed out that we are all under the same code of ethics. I mentioned it on the academic board because the Pro Vice-Chancellor Academic works on the academic board. We are all members of the academic board. I did not criticise Dr Battin. I said that he clearly has a right to do it. I said that people should look at submission 356 to see how one of their colleagues portrayed the university management and governance nationally and internationally. You know that some of the submissions have been looked at internationally and have not contributed to Australia's standing in higher education. That is of concern to me.

CHAIR—Some of the material that Dr Battin has put before this committee leads to issues we are exploring in the broader governance area. I am curious to explore one component of that with you because you raised it in your opening verbal remarks as well—that is, that the chancellor has made the distinction between management and governance. An email that was tabled in the committee yesterday includes a piece of correspondence between the Secretary to Council and the Head of the Office of the Secretariat to Herman Bayersdorf. He is a councillor, is he not?

Prof. Moses—Yes, he is. He is the NTEU president.

CHAIR—Part of that communication refers to a matter that Councillor Bayersdorf had sought to have listed at a council meeting. He had communicated this request to the Secretary to Council. I found the response somewhat curious, so I want to flesh out with you why this distinction between management and governance is made at council and what its relevance is in the broader issues of governance.

As I understand it, your council is the supreme decision making body at the university. Certainly that has been reinforced in other material that has been put to us on other matters. Yet, with respect to this request to have a matter associated with the University Cooperative Bookshop listed for discussion, the secretary says things such as, 'This matter involves serious commercial-in-confidence issues,' and, 'I have learned since my initial response to you that discussion of this matter at council, even in confidential session, would be a breach of confidentiality with possible serious legal repercussions.' How could we get to the stage that the supreme decision making body of the university cannot look at commercial-in-confidence matters?

Prof. Moses—I have been briefed on that. The history at UNE is that there have always been one or two people who have tried to bypass management to get things discussed at council to get back at management, without having followed the proper channels. On the bookshop issue I would like to say that, during the latter half of 1999, a tender was undertaken by the university in relation to the on-campus bookshop. The three organisations that tendered were the

University Cooperative Bookshop Ltd, the Co-op, which is the current supplier; United Campus Bookshops, which operates the bookshops at UWS and several New South Wales TAFEs; and the University of New England Union. In the opinion of the university's tender committee, UCB's tender was clearly the superior offer and UCB was awarded the tender. Once the Co-op realised that it would not be able to continue as the supplier, it raised the issue of the period of notice under its expired licence to occupy the on-campus bookshop. The university then realised that it had not given adequate notice to the Co-op and was caught with having a contract with a new supplier, UCB, that could not commence until at least 1 September 2001. These were contracts that had been done before any of us were there.

With the assistance of its lawyers, the university then negotiated with UCB for a later commencement date and successfully fended off the Co-op's unjustified call for a fresh tender. The matter has now been settled and UCB is due to move into the on-campus bookshop from 1 November 2001. The end result benefited the university as it has recovered a significant amount of unpaid rent from the Co-op which came to light during the discussions with the Co-op. Dr Battin's comments relate to a period of time when, although the university and UCB had reached an understanding as to how the matter was to be settled, no formal settlement had taken place and these commercial-in-confidence dealings would have been threatened by public disclosure. Accordingly, on the advice of the university's lawyers, when Associate Professor Herman Beyersdorf raised the issue in council about the bookshop, the chancellor correctly refused to debate the matter in council. Professor Beyersdorf was invited to hear the full account from the executive director, Mr Graeme Dennehy, but did not take up the opportunity to discover the truth. Dr Battin's comments in no way reflect the true situation and, except for the parliamentary privilege under which he made them, would be actionable by UCB for defamation.

CHAIR—Vice-Chancellor, in part, that is not the point. The point is that you have an elected councillor who has sought to have a matter listed at a council meeting. I would be interested, for example—if you could table it for us to consider—in the legal advice you have referred to. I am somewhat astounded—although my secretary has pointed out to me in the past that, unlike the Senate, your governing body does not have authority over estimates and the like—to read a piece of correspondence from a secretary to a council pointing out to a council member that a matter cannot be listed for discussion, even if the discussion is to the extent of the brief that you just gave, that may be an appropriate discussion, or a discussion that can at least be questioned at council. But, on top of that, to try to barry that into a differential between whether it is a management issue or a governance issue—further to that I asked yesterday for us to be provided with a copy of the code of ethics referred to in this to get some feel for what this purported distinction is between governance and management that was referred to by the secretary to council. I suspect I have only part of the material, but I still cannot find a rationale for that distinction—and you still have not provided an answer in that respect—nor any description of a distinction that is relevant to governance.

Senator CARR—Professor, I am a member of the ANU council.

CHAIR—And Senator Tierney has been too.

Senator CARR—I am directly familiar with the way in which universities operate. Like all administrations, and we see it in the public service, people will not wish to have matters

discussed. It just strikes me that it is a most extraordinary circumstance where you would argue commercial-in-confidence on a matter that ought be the province of a university council. I can assure you that that is not the way it would be done in other institutions I am familiar with. The meeting would go in camera and those issues would be canvassed. Are you saying that you do not have the confidence of the council to be able to deal with it in that way?

Prof. Moses—No, not at all. I think I do enjoy the confidence of the council. I think it comes back to the history at UNE, which was very turbulent in the mid-1990s, where councillors had tried to interfere in the management of the university. That is why I have made this distinction between governance and management, because I think that is in the public domain as an issue at the moment. What is the appropriate role of a governing body? And the governing body has delegated the management of the university in all of its aspects, whether they are financial, research or academic, to the Vice-Chancellor and to the PVCs. We report regularly on everything. We do have ‘in confidence’ in camera sessions but, again, I think it was that the proper procedures had not been followed in terms of getting information. If an issue arises, it should be raised with management first.

Senator CARR—Professor, this seems to me to be the nub of the problem: there is a different view about the role of management in these processes. I would think that, in most universities and most university councils, the view would be taken that people are on those councils to actually provide that sort of supervision, if you like. They are a reporting mechanism. The responsibility is not for the staff or the council member to report to the Vice-Chancellor; it is the Vice-Chancellor’s responsibility to report to the council. I am having trouble with this approach you are taking in that context.

Prof. Moses—I actually did not consider it to be a big issue at all.

Senator CARR—No, it is only in the context of the submissions we have received about the issue of the breakdown in relationship between senior management and staff.

Prof. Moses—No, I am sorry. There is an assertion that there is a breakdown. We are talking about one council member who is the NTEU president who claims it, and the vice-president. I think it is an assertion. I would not be at the university any longer if I thought there was a breakdown in trust between management and the staff. This is blatantly untrue. I am going around the university all the time being invited to open this, give thanks here and to welcome people. It is just not right.

Senator CARR—No, I am sorry, you have missed the point. I am saying that there is a claim being made to us—

Prof. Moses—Yes, there is a claim.

Senator CARR—about the way in which senior management operates within the university.

Prof. Moses—Yes, but it is a claim by only one person who is not even a council member.

CHAIR—Professor, unfortunately we do not have the time to spend a large amount of time on this issue that I have raised. Rather than it being solely an assertion, I put it to you that there

is a communication here that has been tabled before this committee that, in terms of general governance, astounds me. It astounds me that a secretary to council can tell a council member that a matter he seeks to have listed cannot be listed. I am somewhat astounded by the tone of the communication as well. You have mentioned legal advice that I am most curious to see. Are you able to provide that to us?

Prof. Moses—I should think so. This is a briefing I had from our legal officer, so if he said there was legal advice I assume there was legal advice.

CHAIR—Thank you.

Senator TIERNEY—Vice-Chancellor, it would be a rare university that would not contain some disgruntled members of staff. I am sure that one of the joys of being a Vice-Chancellor is dealing with those matters. In a nutshell, could you go through the processes that are available at the University of New England for staff who are unhappy or disgruntled about any matter? What avenues can these people pursue within the university?

Prof. Moses—Those who are just disgruntled or those who have a complaint?

Senator TIERNEY—I assume they have gone through to a complaint.

Prof. Moses—I should have brought our calendar. We have a committee system both for staff conduct and student conduct, or misconduct. We have quite a large equal opportunity office, and that is usually where staff go first when they have a complaint, either about a colleague, about a student or indeed about their supervisor or management. If a complaint is raised and if it is not about me, it usually comes to me. If it is serious or if I think there is a case to establish a misconduct committee, I do so. On the misconduct committee, there will be representatives from the union, representatives whom I choose from among the professoriate and a mutually agreed chair. They hold hearings and they make a recommendation.

The disgruntled people tend to use the uni email. There are very few formal complaints which go through the proper procedures. Of course, we also have quite a number of ombudsmen, and we have quite a number of trained equal opportunity advisers, who deal in a more collegiate, mediating way with their colleagues. The disgruntled people tend to use the email system.

Senator TIERNEY—And I suppose that any staff have the right to write to the chancellor, as chair of council, to write to you, to come and see you if they have any complaints.

Prof. Moses—Yes, and they do.

Senator TIERNEY—In the case of Dr Battin, who appeared before us yesterday, are you aware that he has followed any of the internal procedures of the university to bring his complaint to the decision making body's attention before he appeared before a Senate committee?

Prof. Moses—No, I do not. As I said, he has not made any of these allegations in the open, to my knowledge. We have not been contacted by ICAC because he alleges corrupt behaviour. Our

internal auditor has not followed up anything against management, so to my knowledge he has not followed the proper procedures.

Senator TIERNEY—He has not followed any internal procedures within the university to resolve his complaint?

Prof. Moses—Senator, I would only know if it came to me, either because it involves some of my staff or, eventually, because a complaint is against me. I would not necessarily know what other channels are used in, for instance, the faculty or elsewhere, but it has not gone through the university open system.

Senator TIERNEY—Could you take on notice whether there is, within mechanisms like EEO or whatever, any correspondence or record of complaint from Dr Battin to you or to the council about any matter in the last year?

Prof. Moses—To me or about me?

Senator TIERNEY—To the council.

Prof. Moses—There is certainly none to me about any of the senior management members—none. As you are aware, we did have a dispute because there were different perceptions about his acting headship, and that dispute was settled. You did notice that he went to great lengths to point out that he was so overworked that he could not write a submission in time. The dean had pointed out to him that it would be too much to be an acting head in addition to all the other duties he had, but he was adamant that he wanted to be acting head. In the end, we settled. I cannot go into any details about that, but it was clearly a matter of different perceptions, and that was in the public statement which we jointly issued.

Senator TIERNEY—Would you like to comment in general—I do not want you to go into the specifics of the case—on the situation that occurred yesterday. In light of the fact that Dr Battin does not seem to have used any internal processes—and you will verify that for us in time—why on earth would he then appear before a Senate committee, on the public record with the entire media present, to make his complaints there before he has done anything within the university?

Prof. Moses—I am very aggrieved by the whole procedure. Until the middle of last year, when he became very active in enterprise bargaining, Dr Battin was a highly respected member of the university community. I was quite shocked to see the submissions, because he himself admitted that he did not really know whether some of them were true or not. I do not understand what state of mind he is in. When I mentioned to the academic board that Professor Meek and I were coming to the hearing, he actually had not yet been asked. I do not know whether you asked him or he approached you to be heard. If he approached you, he might have done that because I mentioned that we were going. I do not understand it, I am sorry. I think he must have thought that the sources who provided him with the information were reliable.

Senator TIERNEY—Universities are bodies that seek after truth and try to establish with their research precise facts, precise details, before they draw any conclusions. Do you find it strange that a senior academic would present a document that has not been substantiated, that

has not been checked properly for its facts and that contains a number of rather wild allegations? We find it strange that that would be the behaviour of an academic, given their training.

Senator CARR—Senator, I do not think that you actually—

Senator TIERNEY—Order! I have asked a question of the vice-chancellor; could I have an answer without being interrupted?

Senator CARR—A number of documents were submitted yesterday in support of his claims. Whether or not they are right or wrong is another issue, but you cannot say that they were unsubstantiated, because they were substantiated yesterday in the evidence that was presented.

Senator TIERNEY—The claims had documentary backing but, as with the wording of that, you would not say that some of those claims were substantiated in any shape or form, Senator. You will recall that the committee had some concern about the documents.

Prof. Moses—I said in my opening statements that we always hope that our academic staff will apply the same academic or scholarly rigour to any statements they make, so, yes, I was not happy to see it. On the other hand, we have 30,000 or so academic staff in the Australian university system. You would expect that one or two, outside their area of discipline, become like other citizens where they make unsubstantiated claims.

Senator TIERNEY—Academics, of course, should also weigh evidence and come to as accurate a conclusion as humanly possible. On one of the matters you raised, yesterday Dr Battin claimed that the university was in a difficult financial position because of mismanagement. Don't the financial difficulties of the University of New England and the extent of the debt that the university carries all go back to the Dawkins reforms, the amalgamation of the university with what became Southern Cross later and the disamalgamation of the two institutions? Isn't the root cause of the problems of the University of New England those administrative processes, not mismanagement?

Prof. Moses—I would disagree. The University of New England was well funded. When it amalgamated with Southern Cross and with Orange, there was a real clash of cultures. There was goodwill among some people and ill-will among others. Subsequently, Orange became part of Sydney, and Northern Rivers became a separate university. The network had not worked. But the amalgamation with the Armidale College of Advanced Education, the former teachers college, actually worked quite well and has become nearly one faculty. It has also worked well with some of the other staff and other faculties.

For UNE—I am speaking only for UNE—the root problem was internal practices and attitudes. The disamalgamation certainly would have affected the finances because the university had invested a lot of money in Coffs Harbour, for instance, and lost it. But from where I sit, looking at it in hindsight and having read quite a number of accounts about the amalgamation and the disamalgamation process, I would have thought that it was more a matter of actual practices within the institution, and attitudes.

Senator TIERNEY—I would like to turn to regional matters and the university's role in the region. You mentioned that the University of New England was 32 per cent of the local economy. Are you defining that as being Armidale or New England?

Prof. Moses—No, it is not New England; it is Armidale, Dumaresq and Uralla.

Senator TIERNEY—The surrounding shire in that area.

Prof. Moses—Yes.

Senator TIERNEY—In terms of your involvement with the local economy, do you get any assistance from the New South Wales Department of State and Regional Development? Do they have any role or function in assisting, or do they provide any funding to assist, the University of New England to develop its interaction with the local region and the local economy as a major driver of that economy?

Prof. Moses—We put in applications jointly with community groups for particular projects, but we do not get any special funding per se. There is nothing earmarked. It is a competitive environment where we cooperate for project based funding.

Senator TIERNEY—So it is the state department of regional development or the Premier's department that do a lot of coordinating of funding?

Prof. Moses—Yes.

Senator TIERNEY—You do not have any particular strategy to help your university become a driving force?

Prof. Moses—No.

Senator TIERNEY—There are not a lot of things working very well for the University of New England, just in terms of the structure of that economy.

Prof. Moses—No, the initiative is usually from the university, together with businesses or community groups, and then it applies for funding. The department is open to suggestions.

Senator TIERNEY—You mentioned in your verbal comments the need for a third line of funding to universities that are regionally based. You just made the statement; you did not expand on it. Could you expand on that?

Prof. Moses—I am happy to, although it was Dr Kleeman's idea, I have to say, and he may want to expand on it.

Senator TIERNEY—Dr Kleeman might want to comment on how you saw that operating.

Prof. Moses—From where I sit, I would have to say that the most important funding to the university is an increase in per student funding. We are, and have been, quite successful in

research funding, but that is always project funding; it is not discretionary funding. So any funding for regional development which is only project based does not actually help the university very much.

Senator TIERNEY—But that is assuming that all universities compete on a level playing field.

Prof. Moses—Quite right, and we are not.

Senator TIERNEY—That is what I wanted to explore: in what ways you feel you are not on that level playing field, because of the regional location of the universities and how that line of funding that you are suggesting would work.

Dr Kleeman—While agreeing totally with the Vice-Chancellor on her comments about the per student funding rate, what I meant by suggesting that notion was that it is very clear in the current funding environment that Commonwealth sources of funding for operating grants are very strongly orientated towards EFTSU funding, if you like. Then there is a clear set of research related funding mechanisms—the institutional grants scheme and the new research training scheme—plus program funding as well. What the third line, I guess, refers to is the question of the type of community to university engagement that is necessary to take, if you like, the university's participation with the region to the next step of engagement. It is suggesting that that is going to be expensive and that it will not necessarily be quantifiable in terms of outcomes of increased student numbers, nor quantifiable in terms of increased research funding. A third line of funding with perhaps accountability, as against outcomes, in facilitating regional development may be a possibility.

Senator TIERNEY—One of the problems with the level playing field, of course, has been information technology and access to bandwidth in Sydney compared with Armidale. Are you making any progress with Telstra or any other groups in the roll-out in improving the access to greater bandwidth for the University of New England?

Prof. Moses—We are trying. In fact, several groups and this University have just put in a proposal under the major national research facilities to increase this, too. There is a lot more which could be done. It is almost a chicken and egg thing in the community, that people feel that unless you have that bandwidth you cannot do this, but in order to actually bring it here you need businesses which are using it. We are working on proposals with the Armidale businesses.

Senator TIERNEY—There are developments in a number of places. There is a group that has wired up Cooma and it is a place of only 7,000 people. Have any of these on-sellers of services been involved with Armidale to try and link it up? You would be one of the areas that would have great demand for higher bandwidth compared with other communities in rural areas, because of the presence of the university. Is anyone involved in that with you?

Prof. Moses—Our executive director and our chief information technology officer have been involved in several negotiations.

Senator TIERNEY—Negotiations with private companies to get your bandwidth up? Is there any time frame on the likelihood of this occurring?

Prof. Moses—I thought by the end of the year.

Senator TIERNEY—By the end of the year you might have a higher capacity? Good. The University of New England has historically been a provider of distance education and was one of the world leaders in this field. Obviously, changing technology is moving a lot of distance education online, so the university would I assume be using online facilities in distance education. Do you think, from a federal government's point of view—if we are taking one of two tracks—we should expand the existing provision of online education and provide extra funding for that across the existing universities or should we concentrate our resources and efforts into the creation of a huge online university where everyone studies in cyberspace?

Prof. Moses—I was commenting on that in the submission because the original Labor proposal alarmed us. As you know, we have about 13,000 external students and thousands of them, including on campus students, have access to online units. We have several courses completely online. But a lot of students do not want to be completely online; they want to have online in addition. We do not find that it is a cheap alternative so we were worried that, being at half the HECS cost, people might study it.

There is no doubt that nearly all universities, whether they are traditional distance education providers or not, have gone into what you might call flexible learning because Australia, unlike very many other countries, has had mature age students for a very long time and has had distance education part-time studies formalised for a very long time. A lot of students want to be able to choose the time when and the place where they study. Distance education and online education helps. We do not believe it is cheaper. If there was a central coordinating body, it might strengthen our position overseas but the open learning has not been a resounding success in Australia. I think the facilitation of cooperation—

Senator TIERNEY—Sorry, you are referring to groups like the Open Learning Agency?

Prof. Moses—Yes. The facilitation of linkages between universities make sense—I think it does. It would strengthen each university and its offering. We do that now informally by sharing, for instance, physics units with Murdoch University. We are both distance education providers so it is easy for students to enrol in another university. But as to whether there should be one national provider, we would need to have a much more detailed proposal. If it meant siphoning off students from the present distance education providers it would have severe repercussions on the universities—the staff and the economies around those. And a large number of the big distance education providers are in country Australia.

Senator TIERNEY—Thank you very much.

Senator CARR—Would you support a national education ombudsman being established to allow these sorts of issues to be canvassed outside of the universities?

Prof. Moses—It would not worry me. We have internal ombudsman; there is a New South Wales Ombudsman. I am not sure what an additional person would achieve but by the same token it would not worry me because you already have the institution of ombudsman.

Senator CARR—Thank you.

CHAIR—Thank you. That concludes the questions. Thank you for your appearance.

[11.55 a.m.]

MEEK, Professor Vincent Lynn, Director, Centre for Higher Education Management and Policy, University of New England

CHAIR—Welcome, Professor Meek. The committee has before it your submission that it has numbered 180. Are there any corrections or changes you wish to make do that?

Prof. Meek—No.

CHAIR—I now invite you to make a brief opening statement, and we will move to questions after that.

Prof. Meek—Thank you very much for inviting me here. I will try to be very brief in my opening statement. You have my submission. I think it is a fairly short and direct one. I have tried to focus on only reference H in my submission—that is, to do with the nature and sufficiency of independent advice to government on higher education matters. My point, which is a fairly simple but direct one, is that with a sector that is so large and that consumes so many resources and that is, particularly, so important for the future of this nation—both for present generations and future generations of Australians—that I find it a bit wanting that we have not had a sustained mechanism over the years for independent and external policy advice. I make a recommendation that I would hope that that situation would be solved in one form or another.

In making my submission I certainly do not wish to claim that there has been a total lack of policy advice and policy research in Australia. That is quite incorrect. Policy advice comes from a number of different directions: from independent scholars working in this area, from scholars in different disciplines that come in and out from time to time, from various bodies such as the AVCC. DETYA itself has its own policy arm; it has in-house policy. It does very well in compiling various statistical information and so on. The problem is that there are no sustained long-term policy efforts and activities in Australia that can be run over a number of years, and that creates a number of problems. The problems that I have tried to point out are a lack of continuity in the investigation of policy issues.

People who do it under the ARC and on other projects come in and out of the policy arena in terms of their interest and involvement in it and according to funding. There is a lack of corporate memory with respect to long-term policy development. It is very difficult to engage in longitudinal studies, such as student movements, over a generation or so if you do not have a sustained centre of some sort to carry out such research. There is a lack of synthesis of research and key policy issues bringing focus on to debate—remember the old adage of letting the facts get in the way of a good story. I think such a centre could help with such issues and also, particularly, with a lot of our policy debates in Australia, because a lack of sustained research and information hinders us locating the Australian situation in a larger comparative perspective of what is going on in other countries, particularly comparative countries.

That said, while I call in my submission for effort to be put into the creation of such a centre, I do not intend to recommend what exactly such a centre would look like or the exact structure. I think that should be worked out in detail, if this recommendation were thought worthy to act on, bringing various expertise from both Australia and overseas together.

I list what I see as some of the key features of such a centre, without describing a particular structure. I think it should be multidisciplinary in nature. Some of the most complex problems we face in society are problems faced by higher education systems—their governance, their management, their structure, their future directions. You can never solve such problems, but the only way we can really adequately address such problems is on a multidisciplinary level, bringing together scholars from economics, politics, psychology, history and so on, to bring to bear some of the best minds on what I regard as some of the most important problems facing society.

Such a centre has to be, in my view, independent of government but should at the same time have a responsibility to provide policy advice to government. It should not be something that stands outside of government. It can be critical of government policies but, at the same time, it should be in a position to be directly commissioned by government to do policy research for it, as long as that advice is seen as independent and objective.

I think it should be located within the higher education sector. It should have a teaching role as well as a research role, in terms of training at least the next generation of policy researchers in this area. But it does not necessarily have to be located within a single university. A consortium arrangement is a possibility. As I said, there are numerous ways of going about such a thing if there is a will there to do so.

It should be internationally as well as nationally focused in its research agenda and, most importantly, it has to be adequately funded. This is probably the crux of why we do not have such a centre: there has not been the political will to put funding into such a body like this, to maintain it over a number of years. You have to have a certain level of core funding to run such a thing over a number of years, if you are going to build up that adequate, professional body of policy advice. It does not mean that such a centre cannot earn income from other sources or that it cannot engage in its own consultancy activities and so on, but I stress the importance of core funding for such a body.

Finally—I do not want to go on too much more after this—regarding a research agenda for such a centre, the details of that would need to be worked out in consultation with the major stakeholders in higher education. That said, I think there are a few overarching missions or principles that we might want to take into account. The centre should deal with are what the public purposes of higher education are, what society needs from higher education, what it will need in 15 or 10 years from now, and who is served, and who should be served, by higher education.

Senator TIERNEY—There is a centre for the study of higher education in Melbourne contained within a university. I was wondering how your proposal differs from what exists and why you think we need, perhaps, something in addition to that.

Prof. Meek—I am aware of that centre, because I worked for it for five years before I moved to the University of New England. It probably in its heyday came the closest to what I am proposing here. It has now been reduced to about two or three staff, who do very good higher education policy research; but, once again, most of the stuff they do is either consultancy work or short-term contract work, focusing on particular projects. As well as that, the centre is funded by the University of Melbourne to do other things, to do in-house work for the university and to

engage in staff development work. So you do not have that core funding to run projects over a long period, dedicated to particular issues. Many of these issues need to be examined over a number of years and to have concerted long-term research. What we have now is, yes, research going on; but it is on an ad hoc basis.

Senator TIERNEY—Still, wouldn't it be a good starting point? If the committee recommended along the line of doing something about what you are proposing, wouldn't a way to go be perhaps for dedicated funding to be provided more centrally to that centre for certain designated purposes and perhaps that centre working in conjunction with other universities in the consortium type of arrangement that you suggest? It might be the centre, but there might be other outlying posts of research that are actually linked into that centre. Would that be a reasonable model?

Prof. Meek—I think that would be a very reasonable proposal. I think there are other ways of looking at it. It certainly would not be something I would be against in any way. My advice would be, though, that rather than to come out with a recommendation of that detail, if there were a will to do it one would want to canvass a number of different models, drawing on the experience of other countries who have set up such centres, before one suggested what exactly might work within Australia. Also, the sensitivities of doing a thing like this is that you would have to have the confidence of your major stakeholders. That would be a major thing to look at in trying to establish this activity.

Senator TIERNEY—But to weigh up whether the committee would recommend such a thing, we would need more of a specific blueprint to look at, because we would have to look at cost implications and that sort of thing. From your experience of having studied in that centre in Melbourne and having looked at the field more broadly and at overseas experience, you do not have a preferred blueprint for doing such a thing?

Prof. Meek—Yes. My preferred blueprint would be probably one along the lines you suggest—a centre located within the sector, possibly within a single institution but having links with other institutions, but particularly with dedicated funding to carry out its business, so that it is independent of government. But also you have to make sure it is independent of the local institution as well, whether it is Melbourne, UNE, ANU or anything else. While I think it needs to be in the sector, you do not want such a centre to be captured by the sector. So I think it is the funding model behind that which is just as important as its physical location.

Senator TIERNEY—I turn to another matter, the importance of higher education in terms of investment in the economy. One of the problems any area faces in terms of getting public resources is whether there is a big push on from the community to put money into it—whether it be drug education, mental health, nursing homes, higher education, social welfare or any other area of government. It is useful if this is actually based on very solid knowledge and information to actually argue the case. Are you aware of any studies that show the relationship between higher education investment and participation, and particularly economic growth and prosperity? Are you aware of the link between investment in higher education and its effect on economic growth? Have there been studies overseas or any studies in Australia? Are you aware of any hard evidence that makes those sorts of links?

Prof. Meek—Yes. There is a whole host of them. Now you are going to come up with particularly one and name it.

Senator TIERNEY—No; you might want to take it on notice.

Prof. Meek—Nothing particularly comes to my mind. I could certainly easily supply you with lists of studies that show that connection, both from a theoretical point of view and a more practical point of view. Certainly, if you look at the manpower literature in higher education, both in OECD and developing countries, the stuff that has been produced by the World Bank shows a connection between investment in education and investment in economic growth across a number of different countries.

Senator TIERNEY—This does not seem to come out much in the public arena, does it?

Prof. Meek—One of my arguments for a centre like this is that those sorts of studies and arguments should be brought out into the public arena much more than they are at the moment. One of the functions of such a centre would be to raise the public profile of policy debates on higher education in terms of trying to better inform these debates by the rigours of research and also by engaging with the media and other stakeholders to make sure they put it on the agenda.

Senator TIERNEY—A centre would be useful for doing that, but surely you do not need to go that far for this task. You have a group of experienced researchers. The research has been done. All they have to do is look up the information. I am surprised that academics are not touting that. One of the problems we have in this debate more broadly is whether you are going to regard investment in higher education as a cost to government or as an investment in economic growth. I do not hear that debate occurring and I do not hear people touting figures to support it. You say that the evidence is there, but I am surprised—

Prof. Meek—I am not sure that that is true.

Senator TIERNEY—Well, I haven't heard it.

Prof. Meek—If you looked at the debate that was spurred—

Senator TIERNEY—I have an interest in the area.

Prof. Meek—by the innovation summit and which led to the current policy, I think there was certainly a considerable amount of debate in the various forums which led to the innovation statement about the high connection between investment in knowledge creation, knowledge production and economic growth and, to the effect that, if anything, that connection is going to become more important as we shift from a manufacturing society to a knowledge society. I imagine that, if we looked at the submissions to the innovation statement, there would be a lot of these claims about that connection.

Senator TIERNEY—It is interesting because we are holding similar hearings. In a sense, this is a forum for universities to say why it is important to put more money into universities. We have now met for about 16 days, but I cannot recall any vice-chancellor, academic, or anyone else before us saying, 'Look, you've really got to increase this money because this is a

great investment as it will generate further economic growth. In other words, there will be a bigger return than what you are putting in.' I cannot recall anyone advancing that argument.

Prof. Meek—There are various ways of studying that. It becomes very difficult methodologically in some of these studies. I can supply the committee with what I consider to be the more recent and more important studies in this area by the World Bank, by the OECD, and by independent scholars.

Senator TIERNEY—As we move on through time, there has been a change in the balance in respect of what people want to study at universities and one of the problems that we are currently facing is a drop in demand for courses in science and teacher education, while at the same time there is a rise in demand for courses in business and law. Is there anything in the research in studies from overseas about this problem in the decline in interest by students in science and teacher education? Has any country come up with policy remedies that might have some application in Australia?

Prof. Meek—Yes. There have been studies by the Centre for Higher Education Policy Studies at the University of Twente in the Netherlands. Those studies basically argue that if we leave too much of the steering of higher education to the market, the market can squeeze out disciplines for which there is less demand and which the institution has to subsidise rather than profit from offering those disciplines.

Senator TIERNEY—When you say 'the market', do you mean what students want to study?

Prof. Meek—If we shift more and more of the funding of higher education from government, and government subsidies, to earned income, there is a real problem with protecting some vulnerable discipline areas such as the classics in different countries. Some of the studies that I have looked at argue that that is one of the reasons why one has to maintain a certain level of government funding of higher education. To leave it all to the market means that you then have the possibility of losing from your national grid certain key, fundamental, cultural areas within your higher education system that may not be profitable in terms of getting the number of students to make it a viable offering.

Senator TIERNEY—Doesn't that happen regardless of the way the funding is structured? Things like botany, for example, were in long-term decline long before funding arrangements were changed. Certain languages were being studied. If people do not want to go and study them, regardless of your funding, you are going to have that shift in resources anyway, aren't you?

Prof. Meek—To an extent, yes. But if you have a total shift I think you are in danger of running your higher education system into an area where it would be very difficult for you to get out later. For example, if we take physics, certainly 20 or 25 years ago, with the arms race, the space race and everything else, physics was very popular in many countries. Now we find that physics is one of the areas where there is a real run-down in terms of student interest. It is one of the areas where you find student decline. That relates to a variety of different, external environmental reasons. One of them is because lots of big funding areas in physics have now dried up a bit.

Senator TIERNEY—It could also be related to the teaching of sciences in the high schools, couldn't it?

Prof. Meek—That is a possibility as well. What I am saying is if you leave that to market forces and say, 'Okay, we leave physics,' in 15 or 20 years time, or even in five years time, we may then want a big reinvestment back into physics or some other area. To start it up from scratch is almost an impossibility.

Senator TIERNEY—But if you had a completely centrally funded system, and particularly because of the way physics was taught or not taught in schools and the lack of interest in physics, say we went back to the Whitlam years when there was complete government funding, how would you counter that? You can't dragoon people into studying physics if they don't want to. If you did do that, and if they are not qualified properly, the only way you could do it would be by lowering the standard of entry into the physics course, which is a bit counterproductive.

Prof. Meek—It is not only getting the students into physics or the students into the classics; it is also keeping your staff there. I think my point is you will have to have other incentives and make other investments to keep those discipline areas going, besides having one that is totally dependent upon the market.

Senator TIERNEY—Finally, you make the interesting point about a more integrated approach to higher education—I assume you mean post-secondary education—and the link between VET, TAFE and higher education. In a nutshell, could you expand on your idea there?

Prof. Meek—Certainly I think there needs to be more articulation between the VET sectors, the vocational sectors and higher education at the national level. How that is to be brought about I am not too certain. I think one of the things that possibly hinders the connection now is that VET is mainly a state activity and higher education of course is mainly a federal activity. Whether now VET will become the next national sector of higher education remains to be seen. I think there is some evidence it may be drifting that way. Whether you want it to go that way I simply do not know. I suppose, to reinforce my submission, I think it is an area that would certainly be of keen interest over coming years in terms of those interested in higher education.

Senator TIERNEY—Thank you.

Senator CARR—I for one would certainly hope that vocational education is increasingly a national responsibility. Perhaps you could tell us why you think the Higher Education Council was abolished by the government, whether it was because it would not be a suitable vehicle for independent advice and to perform the functions that you have outlined.

Prof. Meek—I am not too sure why it was abolished by government. I think that whole NBEET structure, and the other three councils within it, became a bit superfluous over the years to government wanted. We went from the transition there, too, from the old CTEC structure to the new structure, so it was sort of a halfway house for CTEC when it first got going, and I think it served a good deal of valuable function particularly in its early years. But, once again, it was not a policy centre. It commissioned research from time to time, but it never had its own research agenda that it sustained on, particularly, issues over time.

Senator CARR—In fact, it was argued that it provided advice which was too independent of government and that is why it was abolished. I can remember the debate on the bill. It took the government some time to get it abolished, because we opposed the bill. One of the concerns was that the advice that they were tendering was too independent and, furthermore, it was an alternative source of advice to government, that it commissioned research and the like that showed that DETYA's was not necessarily the only opinion that was available. I take it from your statement that you believe that the current arrangement is such that DETYA is not providing the government with sufficiently accurate or developed research and advice.

Prof. Meek—I would not comment on the accuracy of their advice. I think they serve a very useful role in commissioning research like the EIP, evaluation and investigation program. But DETYA is constrained in what they can say, for the very reasons that you outlined.

Senator CARR—They are a public service department.

Prof. Meek—Exactly. Also, once again, they are dealing mainly with short-term issues that come up from time to time on the political agenda, and I think a lot of our views of higher education are very short term where we need a much longer term perspective.

Senator CARR—Does your proposed centre negate the need for an independent advisory body in terms of providing advice to the parliament?

Prof. Meek—Not necessarily. To come up with something like a new Higher Education Council structure would you then need a centre like this? It depends on what form it took. You can go along the form of a standard that commissions research, but still I think you find that the same problem there is that it becomes a very short-term exercise where I think you need the long-term perspective.

Senator CARR—What do you think of the NCVER's role within the vocational education sector?

Prof. Meek—I do not know much about it in great detail but, once again, I think they are a body that is in a situation which I do not think is any bad thing, but they are not in a situation to fund long-term research projects. Most of their stuff is immediate issues and commissioned projects in terms of immediate problems that are defined—

Senator CARR—I might stop you there, because that is not the way they function. They have just produced a major report on the vocational education sector and have proposed a whole series of quite long-term measures in terms of future reform. I am surprised that you are not more familiar with their work. Are you saying that you do not think that model is necessary?

Prof. Meek—As you point out, that was something that I would want to inform myself about in a bit more detail before I comment.

Senator CARR—Thank you.

CHAIR—There are no further questions. Thank you for your appearance.

Proceedings suspended from 12.24 p.m. to 1.21 p.m.

GERMOV, Mr John, Vice President, Australian Sociological Association

PIXLEY, Dr Jocelyn, Member, Australian Sociological Association

CHAIR—Welcome. The committee has before it your submission, which we have numbered as 256. Are there any changes you wish to make to the written submission?

Mr Germov—No.

CHAIR—I now invite you to make a brief opening statement, and we will move to questions beyond that.

Mr Germov—Firstly, we welcome the opportunity to appear before you today and we view the inquiry as a positive development in examining the pressures that current universities face. We believe that our submission outlines the main points we would like to make, so we will not take up too much of your time here. I reaffirm that the Australian Sociological Association itself was established in 1963 and represents the interests of both academic sociologists and those with professional qualifications in sociology who work both in the government and in the private, non-government sectors. Our reason for making the submission was to highlight both the role of the social sciences, particularly sociology, in the university environment and its contribution to the wider community in terms of the production of graduates and of research and high quality teaching—which feeds into highly employable graduates with very useable skills. We would like to highlight the important role that sociology plays, both in producing such graduates and in stimulating the wider intellectual environment of our universities. Jocelyn, would you like to add to that?

Dr Pixley—I was going to provide the discussion about sociological analysis of how one should see the university system in general. I wrote quite extensively on the way one could see the university system in its fiduciary role as a trust role between students, parents, the funding bodies. The administration has this trust role between these bodies, as a responsibility to find those academics who are best at doing original research. The dangers in not emphasising research would be that the university system could be hiring very good teachers who would be teaching knowledge that was 30 years out of date. So I would be emphasising the real need for funding for research. In our submission we are also talking about the concerns about the marketising, in many directions, of the university system. So those were the two really key points that I was wanting to stress. Really, I do not need to develop them. I would like to answer questions.

CHAIR—Thank you. Can I ask you a general question about the supply and student demand for sociology courses—and particularly let us concentrate at this stage on the undergraduate level. What has happened over, say, the past decade to the number of courses in sociology available through universities and to the level of student demand for those courses?

Mr Germov—I think the level of student demand is still strong in terms of the overall numbers. There are some figures cited in the submission that show that, in terms of comparing sociology as a discipline to other humanities and social sciences, it is one of the largest,

particularly at the undergraduate level. However, that said, it is quite clear that over the decade there has been a gradual, slow decline, but a noticeable one, in overall student enrolments—as I think there are across Bachelor of Arts programs around the country. There has also been a constant decline in the size of sociology departments in terms of the number of staff and the number of departments. Some of the dominant departments of the 1970s and 1980s are now half the size they once were and are often teaching into other disciplinary areas. There have been some cases, such as at the Queensland University of Technology, which has really shut down their social science teaching altogether and has redeployed the staff who were there, and others have left. That is one of the fairly recent developments in terms of sociology or social science, with a university really deciding that it is no longer willing to offer majors in that area.

CHAIR—Is that the only university, at this stage?

Mr Germov—That is the only one I am aware of.

Dr Pixley—One could also add—although I do believe the social sciences do need far greater attention—that sociology is taught far more broadly in various other disciplines, and so you will find politics and geography have large components based on sociology, and there is an extension out of sociology and into a lot of other areas. So, in the case of sociology, it is certainly far wider than that.

Mr Germov—Particularly in a lot of professional disciplines: a lot of health sciences, economics and education will often have a lot of sociology subjects and even have people with sociology qualifications teaching within those disciplinary areas, rather than being located within a sociology department itself.

CHAIR—But that does not teach people to be sociologists.

Mr Germov—No, it does not.

CHAIR—We heard evidence from the University of Tasmania that to complete a sociology major in some instances involved the need to travel from Hobart to Launceston—which seemed to be a somewhat amazing situation in that students could travel for what is about 2½ hours at their own cost in order to complete a major.

Mr Germov—That is not uncommon, particularly with multicampus universities. Even with the University of Newcastle, you have a Central Coast campus. Given that that campus is still in its infancy, the range of such offerings is still very small. If students enrolling in sociology subjects wanted to complete further studies—particularly in the upper level, second- and third-year areas—the range of choices is fairly limited and, really, to complete a major they would have to travel to the Newcastle campus.

Senator TIERNEY—With regard to the criteria of ARC competitive grants, in earlier hearings that this committee did about six years when we were looking at university research, we had a careful look at this. Given that the ARC has just been changed and reformed, what further reforms do you think are needed to give the humanities—and I am sure you will comment on your discipline in particular—a better bite of the cherry in terms of total ARC funding of humanities?

Dr Pixley—I could speak to that, as someone who has put in regularly for large ARC funding. Most of my colleagues despair that it is worth their while. I actually think the effort is worth it, but what I object to is that one is spending one's own private income on self-funding. One gets small amounts of research. The success rates are so low. I am at the University of New South Wales. It is a big university. We certainly all get sabbatical leave, and that I would say is absolutely crucial for people to try to maintain and develop research programs at all. But the ARC—a lot of people just despair. They really do.

Senator TIERNEY—But they would be heartened to some extent by the fact that, under Backing Australia's Ability, we are doubling ARC grant money, which should increase the success.

Dr Pixley—Yes, we will have to wait. The process is only halfway through; this is the first year that we are trying the new discovery project.

Senator TIERNEY—But surely if there is twice as much money in the system, the success rate improves. The odds are that your chance of success will go up. It was about one in six; it used to be around 17 or 18 per cent. The research that this committee did five years ago indicated that ARC really first rate, top-notch, 'should be funded' proposals were around 30 per cent of those put in. So surely that is something that should be lauded.

Dr Pixley— I do hope so. I must say that I think it is really important. But also there is the problem of the mix involving the social sciences. And for some, if they are not needing vast amounts of equipment, the differences are often how you support people to do research that is largely just writing and those sorts of things, which is often giving time. One of the problems of asking for teacher release is that, instead of being built in as a component of academics' work, it tends to increase the casual staff who then just replace people for the session that they are off on teaching release. They are some of the problems involved in funding.

Senator TIERNEY—But surely for grant money in something like sociology that would be an important part of it, wouldn't it? The person wanted to do that research, so someone takes that bit of a load, and the person goes off and has the time to do it.

Dr Pixley—Yes, but there is a problem with teaching release; it does lead to a greater casualising. In that sense, it would be a matter of trying to have greater focus on a research component for funding within the schools. What I was going to say is that the obverse is that if the schools are largely funded on the student demand—and certainly in my faculty in the University of New South Wales about 90 per cent of the funding is on effective full-time student units, EFTSUs, as we all call them—the pressure is around the amount of students that come in.

Senator TIERNEY—We talk about giving the lump of funding to the university or to the faculty. If we go back to very early Dawkins reform, it was something called clawback, and everybody remembers that term from way back then where money that used to be given to the university was clawed back—very graphic—centrally to create some of these central mechanisms. Do you think that went perhaps a bit too far? Do you think there is too much money that is centrally distributed? If we assume that it is the one sized fixed cake, it would be better perhaps to give back more to the universities to have discretion in the allocation of research money across faculties.

Dr Pixley—There is a problem, though. We then moved on to research quantum planning. It was meant to move up to 15 per cent but it never really got beyond 10 per cent. One of the problems there, of course, is that one would still need to have that extra layer where one has peer refereed research.

Senator TIERNEY—I am not saying that it is an either/or situation; it is just a matter of balance. Do you think it has tipped too far centrally?

Dr Pixley—Yes.

Senator TIERNEY—Sociology, it seems, is one of the popular courses in terms of growth at this time. Is that because it is becoming more of a prerequisite for some professions? Perhaps you might like to comment on the development of double degrees in that context as well.

Mr Germov—It is a bit difficult to say. My understanding on what has happened is that, throughout the 1980s and perhaps even into the early 1990s, sociology started to enter into a lot of professional programs and teach into other degree programs apart from teaching its own students who majored in sociology. But to reuse the term ‘clawback’, there has been a clawback by those disciplines that sociology is taught into to take back their EFTSU fundings. The way the funding works is that you pay out from your department, your unit or your faculty to, say, sociology—

Senator TIERNEY—But even pre-EFTSU they were always trying to extend their specialist studies at the expense of general studies. It is a long-standing debate within universities.

Mr Germov—That is true, but it is heightened much more so. My fear is that we are seeing a narrowing of the generalist education that you would hope to get with a university degree. We are seeing sociology and other related disciplines increasingly marginalised, particularly in professional courses but also in a range of other courses in which they are found.

Senator TIERNEY—Are you finding with double degrees that people would be doing, say, arts/law because they want to become lawyers with a heart or with other professions because they want a more rounded general education? I suppose there are two parts to the question. Do you feel that double degrees are increasing and within double degrees are people more likely to be taking subjects like sociology?

Dr Pixley—I can give you only anecdotal evidence. I teach a course called technology work culture, for example, and I get a lot of students from commerce and from law who are doing double degrees. Unfortunately, I can give you only anecdotal evidence there.

Senator TIERNEY—You are indicating that online delivery of courses in your area would reduce quality. What is the reason for your view on that?

Mr Germov—We are not inherently opposed to online delivery, but we are concerned that it is viewed as the panacea for shortfalls in funding or lack of investment in infrastructure and so forth. Quality online education takes a lot of resources—

Senator TIERNEY—We have had a lot of evidence that it is actually more expensive.

Mr Germov—I think it is.

Dr Pixley—Yes, I would agree.

Mr Germov—My experience has been that it is actually not very cost effective. That said, there is a lot to be said for the face-to-face experience of sitting in a classroom, a lecture theatre and a tutorial room, having access to staff during consultation hours and so forth. Most research seems to support this. There is a small group of students who prefer to study online, but the vast majority still prefer to turn up on campus.

Senator TIERNEY—Do you think online learning would have a greater role post university study? I am not talking about postgraduate study; I am talking about someone who has a qualification, goes and works and then discovers five or 10 years later that their knowledge is not up to date so they need to upgrade in some way—maybe a diploma or a masters. This might be in a totally different field, even though they are qualified in one field. Because the job structure has changed, they now need to train in another area. Do you think online learning might have a much greater role in the future in a lifelong learning sort of context?

Dr Pixley—I would say the same thing that John said. Face-to-face teaching is about learning how to be articulate, learning to express difficult ideas out loud. Most people get jobs in what would be loosely called human and personal services which involve articulating ideas out loud. In the sense of universities there is also broadening general knowledge for informed citizen sorts of debates. Again learning to express themselves in a seminar or tutorial is a skill plus more that is important for all sorts of people's needs whether they are late entry or retaking up a degree. That is the defence I would use. Some online is fine. We have been online for longer than most because emails were invented for us. There is a limit to how long one wants to go on looking at computer screens.

Senator TIERNEY—So, if a proposal came out for an online undergraduate sociology major degree, you do not think that would be the delivery of effective learning in a global context? Even though the lecturers were the best sociologists in the world, all the information online was spot on and people could learn the knowledge side and to some extent the skill side even more effectively than in traditional courses, you still think there would be a very crucial element of their education missing in that environment?

Mr Germov—Yes, I think so. I think the mistake in this debate is that it is an either/or debate. Online technologies can be complementary to face-to-face teaching. In fact, in our own teaching—

Senator TIERNEY—But not a total substitute?

Mr Germov—But not a total substitute. You can put resources up to make them more accessible. You can downstream audio or video information. You can make your lectures available on the Web or so forth. But the process of interaction with other people and articulating ideas and the experience of people with different opinions, backgrounds and so forth, and guaranteeing that the person who is actually producing the work is the person who is enrolled—all those sorts of things—make a case for at least a mix rather than an either/or situation.

Senator CARR—I would like to bring you back to the questions that you have raised in your submission regarding the university's fiduciary institutions. The role of the university has been part of our discussions with witnesses across Australia. Some have drawn to our attention that the transformation of higher education into a market oriented user pays business—the enterprise university—has been at the expense of our traditional understanding of what a university is about in terms of its civic responsibilities, the carrying out of its functions of preparing people for life as well as a career, of fostering inquiry and reflecting on public issues and of informing the public as to what is going on within the university itself, especially the threats to academic freedom and the degradation of standards. How do you respond to all of that? Do you think the rush to marketisation has had an adverse effect in terms of those traditional civic responsibilities?

Dr Pixley—I think that there has been a severe loss of confidence among the academic community in Australia. As I said, I am at a big university and we do get sabbatical leave, but there is this whole sense that universities are about getting more and more students. I am certainly committed to very good teaching. I used to be a high school teacher. The point is, surely, that original research and having that role to add to the debates of the nation in a free interchange of ideas, is so important—and this is where ARC funding is important. In the sense of that overall role, universities are not like any other business. They do have that trust role. I have welcomed the fact that they are less elite institutions than they were in the past—that they should be open to many more people—but students are not like customers. One cannot put them in the model of customers. I suppose that is why this concept of seeing them as a fiduciary institution is one part of that other outlook.

Senator CARR—You talk of the lack of confidence or the loss of confidence by academics in terms of the traditional understanding of the academic mission. Is there a view that you are aware of that academics who criticise universities are treated as mischievous employees or, as we heard here this morning, disgruntled employees or disloyal to the firm, that there is no place for public criticism in an environment where universities are competing for funds from government or from the private sector? Do you get the sense that there is a repression of dissent or an attempt to reduce the capacity of people to speak out?

Dr Pixley—I certainly know of stories, and we have seen reports in the press. The concern about the decline in standards has been a 10-year-old concern, which is very hard to quantify. One of the real problems is how difficult it is to quantify and to actually pinpoint some of these things—the decline in outspokenness and the decline in the general standards of what is taught. Although people say they are doing their best possible job, it seems to me that, when you look over all, there is a sense in the missions of the universities, because they are competing against each other, of a lack of collegiate responsibility. For example, I have colleagues at Sydney, Macquarie and UWS and we are competing in the Sydney region. My saying that our university is the best would involve me somehow going against those collegial responsibilities that I have to those who are my co-sociologists and social scientists. Even the very principle of it is a self-defeating one in that sense of being collegial scholars together, as it were.

Senator CARR—The argument runs that the values of the corporate structure, the enterprise, become so ingrained in senior management that they no longer see the world in the same way as the academics see it in terms of the responsibility to criticise and to make public comment about the operations of the university or of society or of whatever might be regarded as something

controversial. That brings disrepute on the university. What do you say to that? Do you think that is happening?

Dr Pixley—I cannot specify but I think a lot of people are much more cautious than they ever used to be.

Mr Germov—I would say there is a fear of that trend developing—that, as you move towards a more corporate like model, then by definition there is less likelihood of people speaking out or being critical or not towing a corporate line.

Dr Pixley—Conversely, there is an extraordinary anti-intellectualism abroad. That is the other side. Maybe those who do try to speak out receive very little welcoming of difficult ideas. When one is asked to speak on a radio program, at least the ABC will ask you a question you can answer in three minutes— you do not have to give a half-minute grab, which is virtually meaningless. It is having those spaces to make difficult ideas widely accessible.

Mr Germov—There is definitely a fear of that sort of culture developing, and a wariness of moving into patron like relationships, whether with full fee paying students, government or private industry sponsored research organisations or commercial partners with the university.

Senator CARR—We have stories of people's professional ethics and integrity being compromised by expectations that a fee paying student has to pass, that an overseas student has to secure success, and that TER scores and various other entry standards should legitimately be lowered if your full fee paying quotas are to be met. What do you say to those sorts of concerns?

Mr Germov—In terms of a logical argument, you can see where those concerns come from, or where commercial imperatives come to dominate academic ones. We can speak only anecdotally here, but there is definitely a perception that there are unspecified pressures on academics along those lines.

Dr Pixley—We can talk about curriculum changes too, and it is not just about overseas fee paying students. It is the way the student intakes are the predominant funding mechanisms for the schools, so that every school is madly competing to get as many students as possible. If another discipline is offering six first-year courses and 35 upper level courses, everyone thinks they all must do that. If one discipline is changing the names of its courses and not requiring prerequisites then students say, 'Let's not have any prerequisites.' Other schools that want to keep the idea of progression—that is, that you need to be familiar with one set of debates before you are able to cope with next lot of debates because they might be an answer to those first debates—lose that. There are dreadful jazzy words like 'modularisation' so that students can pick a first-year unit here, and a third-year here. I think it is at that level. Sure, I do not know about the veracity of the particular overseas students—you are not meant to know who they are—but it is at that level; it is across the board.

Senator CARR—My remarks are not aimed at overseas students; that is the claim that has been put here—that fee paying students are given preferential treatment in the current corporate ethos that is developing. In terms of the context that you have mentioned—changes in the curriculum—does that lead to a decline in standards?

Dr Pixley—I think it has over the past 10 years. That is why I was saying it is across all students rather than just specific.

Mr Germov—Over that period of time we have seen contact hours probably halved for face to face teaching and class numbers probably doubled. Therefore, you probably have less assessment per subject and less actual content per subject studied. We have seen the removal of pre-requisites, meaning that it is possible in, say, a BA program for a first-year student to do a third-year subject or to mix and match their subjects. It is often done in the name of flexibility, but it erodes the progressive accumulation of knowledge and therefore you are seeing students graduating with very little depth in their disciplinary knowledge because they have had this mishmash of subject choices.

Senator CARR—Have you seen the work on the analysis of changes in university councils, the governing bodies of universities? There has been a tendency for universities to reduce the size of their councils, to change the structure of their councils, to remove those who do not have business connections, and to reduce outside appointments other than those with business connections. This challenges the traditional assumptions about broad representation on university councils. Are you familiar with those sorts of trends?

Dr Pixley—I am not. I know only what is happening in my university.

Senator CARR—How do you see it in your university? Would you say there is a greater flexibility in the way debate is handled within management at the council level?

Dr Pixley—Recently there has been some considerable debate within—

Senator CARR—I am told that it is only recently that budgets were produced to your university council. Is that true?

Dr Pixley—Yes.

Senator CARR—How could they possibly know how things are going to run without knowing where the money is going or how it is being raised?

Dr Pixley—I agree with you.

Senator CARR—Thank you.

CHAIR—Thank you for your appearance today.

[1.55 p.m.]

MORTON, Professor Leith Douglas (Private capacity)

CHAIR—Welcome. Are there any comments you would like to make about the capacity in which you appear?

Prof. Morton—I am appearing as Professor of Japanese at the University of Newcastle.

CHAIR—The committee has your submission numbered 341. Are there any changes you wish to make to the written submission?

Prof. Morton—No.

CHAIR—I invite you to make a brief opening statement and we will move to questions beyond that.

Prof. Morton—Thank you for the opportunity to appear before you to give public evidence concerning my written submission. The specific case I wish to make is that there is a crisis in our universities relating to education on Japan. Unless provision is made through additional financial and other material commitments on the part of government, this crisis will lead to the destruction of the educational infrastructure in universities, which constitutes the single most important source of expertise on Japan and virtually the sole source of meaningful training about Japan in the nation.

In my written submission, I made the case that the educational infrastructure was collapsing. By infrastructure I mean, firstly, the academic staff teaching Japanese language and about Japan, and, secondly, the institutional bodies which house and support such staff. The evidence I pointed to came from a number of sources, principally the report by the Australian Academy of the Humanities to the Australian Vice-Chancellors' Committee last year, which is titled *Subjects of small enrolment in the humanities*. The report outlined the rapid decline in university staff teaching Japanese over the past four years. This report states that, between 1997 and 1999:

... the highest number of staff lost—almost twice as for any other language—was for Japanese, and that these losses were reported across the largest number of institutions.

I think the exact number in that three-year period was 16. This decline applies also to teaching on Asia in general. Why should this decline merit the attention of this committee and of the people of Australia? Paul Kelly, international editor of the *Australian* newspaper, put a strong argument as to why we should be concerned when he wrote on 2 May this year in the *Australian*:

Japan is our most important Asian partner. Despite its decade-long recession, Japan remains the world's No 2 economy. It remains our No 1 trade partner and will be for many years.

Add to this the importance of Japan's role as the economic engine of Asia and its role as the bulwark of the US Pacific defence strategy—around which Australia has built its own defence policy over the past half century. I think the importance of Japan to Australia's future simply cannot be overestimated.

The trade, political and defence links to Japan were built up in the postwar era by the courage and vision of our political leaders and were actually put in place and maintained by a hardy band of diplomats, academics, armed services personnel and businessmen with deep expertise on Japan. These same figures were behind the massive expansion of education on Japan in the postwar tertiary sector. Yet the day has come when the conveyor belt is beginning to break down and, if present trends continue, within a decade or two we will be able to produce hardly any of these experts on Japan and on Asia generally.

The Indonesian language skills of some of our military officers in East Timor recently have played an important role in ensuring that the changeover from Indonesian to UN control was conducted without conflict between our two nations. But our political relationship to Indonesia is in danger. In addition to spending \$10 billion on building up our armed forces, a tiny fraction of this funding could be used to build up our waning expertise on Asia. Again, if present trends continue, Australia will soon lack any significant capacity to educate and train Australians—whether in government, business, the armed forces or the education sector—about Japan or Asia.

The key to educating Australians about Japan is educating Australians in the Japanese language. Language is the only real entry point for advanced study of the culture or society of a nation. Can we imagine serious study of Australia being carried out without a knowledge of English? The same holds true for Japan. Yet, as the evidence I point to in my written submission demonstrates, the rapid decline in the educational infrastructure on Japan in our universities will eventually ensure this result.

What can we do about it? The causes of this decline are many and varied, and solutions adopted to halt the decline will also need to work across a number of sectors. But to begin with funding must be made available, additional to that currently provided, to ensure that incentives exist for students to attempt study of this difficult language and to ensure that the long process of training and educating staff to teach Japanese studies can be maintained through the use of financial incentives and support in the area of in-country training and scholarships. Unless we do something, indications are that this current decline will deliver a fatal blow to university education on Japan. If that is the case, then the endeavour and hard work of the postwar generation of Australian leaders who built up this infrastructure will be undone. It will take only a decade or so to destroy what half a century of commitment on the part of government has built up. But to rebuild it will take many more decades.

I would like to conclude these brief remarks with a quote from the book *Is Australia an Asian Country?* by Dr Stephen Fitzgerald, a prominent Asia watcher. By the way, the answer to that question is no, we are not an Asian country; we are an Australian country. Dr Fitzgerald warns:

We have to start to be intelligent, intellectual, forward-thinking and long-term, and not lazy, about ourselves, our values, our institutions, or our region. We have to take up on our own what is really hard about this, and not clutch at protectors or a white man's world now gone or a past which cannot be retrieved. We have to be a nation of bilingualists, of cultural proteans, literate in Asia and in much else besides. We have to face hard choices and make hard decisions about education and ethics and the economism which eats at our humanism. We have to be Australian and not European, we have to be quiet not strident, we have to learn humility, and to listen to silence. We have to care intensely about the future and the survival of this democracy, one of the oldest in the world, and the preservation of the innate democratic instinct of its people.

Thank you.

CHAIR—Thank you. The Japanese government have sponsored a number of programs to do with international relations. I myself benefited from an Institute of Labour Studies leadership program involving Australian industrial relations personnel. Do they do something in the language area?

Prof. Morton—They have a variety of programs through the Japan Foundation, which is their cultural arm—similar to the British Council or the Goethe Institute. In fact, they probably provide, in terms of scholarships and in-country training, the largest source of funds to Australians from primary to tertiary levels. But, of course, the money that they provide and the avenues that they provide—and we are very grateful for this—are provided to Australia not as a unique entity but as part of a general program of providing such aid to countries throughout the world. In that sense, those particular programs are subject to the vagaries of the Japanese budget process and, of course, to their shifting priorities in terms of their overseas policy. It would be wonderful if we could match that range of incentives on the Australian side. Of course, we can't. There was an attempt made about 25 years ago with the Australia Japan Foundation, which now unfortunately is wound up. Nonetheless, we do rely very heavily on their programs, and, as I said, we are very grateful that they do supply these opportunities to study in Japan.

Senator TIERNEY—I think it was about 50 or 60 years ago that there was a movement to create a one world language called Esperanto. In this computer age, I wonder whether that might actually be realised in a slightly different way. English seems to be becoming the language of the computer to the point where we received evidence the other day about a study being done on Australian companies that have received emails that might have involved business opportunities when the response, if my memory serves me correctly, was actually zero back from the companies. They came in Japanese and Chinese or some other language. I wonder if you see any great dangers for the longer term decline of language because of the developments in the new information age where people probably tend to migrate to English in the world of commerce in particular, because that is becoming in a sense an international language.

Prof. Morton—I think English is an international language. It has been since the rise to dominance in trade and international politics of the United States early in the century. But it is interesting that only recently Bill Gates said that within a very few years there will be more Chinese language web sites on the Internet than English. Obviously being fluent in Japanese I tend to look at the Japanese language web sites rather than the pages that are available in English, but it is interesting when you do go into web sites in Japan, whether official or university web sites, government web sites, web sites for businesses and such, they generally have one English page. Then you click on the Japanese page and there are several hundred. The interesting thing is that the technologies associated with word processing, with computers and with the Internet have actually accelerated the use of vernacular languages, particularly in Asia, because they have stimulated the growth of technologies where you can now type on a word processor in Japanese and Chinese almost as easily as you can in English, and this was unthinkable when I was an undergraduate student, for example, three or four decades ago at the University of Sydney. There was a massive typewriter there—a huge, massive contraption—and it took you half an hour to type a letter with it.

On my Powermac at home, I can type a Japanese letter using Japanese word processing technology in about the same time as it takes to type it in English. Faxes have been a

tremendous boon to handwritten documents in Japanese, Chinese and other vernacular languages. We will see, as Bill Gates has predicted, an immense growth in the Asia-Pacific region, particularly the two economic powerhouses, and the political powerhouses of Japan and China will see immense growth in those languages. Remember that Chinese is the second language of Asia. You can go to Malaysia, Singapore and various places and speak Chinese. My Chinese is fairly rudimentary, but I have found that it works in several countries.

Japanese is still pretty much a language isolate because it is perhaps more demanding than Chinese. It is perhaps the most demanding language in the world to learn—linguists have argued that; nevertheless, in Japan it is about the only language that works. I lived in Japan for probably 10 out of the last 30 years, and I cannot remember the number of occasions I have had to come to the aid of travellers who do not speak Japanese, even where you would expect them to speak English, such as in hotels, railway terminals and airports. Three years ago, when I was a visiting scholar at a research institute in Kyoto, I met an Indian scholar who was working in Paris and who spoke several languages. He put me to shame for the number of languages that he spoke. He threw a wobbly one day because no-one told him that the next day was a public holiday. The announcements were all made in Japanese, and that was at an international research centre. He was appalled that Japan has not adopted the second language skills or utility that you find in other countries.

English is an international language and it will remain so as long as the United States is a major power, but other languages will grow along with its use. My colleagues tell me that German is now basically the second language of Europe, particularly in eastern Europe. If you look for trade opportunities in Poland, Bulgaria and similar countries, if you speak German you are okay. English is not as widely spoken as German is in those countries, I am told, just as English is not as widely spoken in parts of Asia as Chinese is. We are looking at a rather complex future. Languages are not going to die away and we are not all going to speak English. In fact, more of us will become bilingual.

Senator TIERNEY—A web site offers translation from one language to another. On an ABC program last week there was a discussion about the nuances of language and multiple meanings. They could not see a time when computers could pick up the nuances of words or the slight shades of meaning. Of course, if you get the wrong word in translation it can create great offence when you are trying to be diplomatic or create a trade relationship. Do you see the development of this technology being a lot more useful in easing communication between nations? What is the role of language scholars in that process?

Prof. Morton—I see it becoming more widespread. On my laptop at home I have three translation programs that I downloaded from the Internet to try out. You can go onto the Internet and download these things for free. They are not too bad, except that they need a text editor—which means a translator, of course—for anything more difficult than very simple straightforward sentences. If you are translating medical and legal documents, which I have done in the past, and you get one word wrong, the patient could die. Obviously, you need to have a text editor.

Senator TIERNEY—Is there a role for language specialists in that area?

Prof. Morton—That role will expand. In the EC, there has been a big expansion in language related jobs because of the widespread use of this technology. The other point is that because we

communicate much more frequently and more easily in real time now through the Internet and the other technologies that we have, it increases the opportunity for interaction, whether it be for political purposes, trade, business, friendship, cultural interchange and so on. That in turn increases demand for a deeper level of engagement. My submission is about what we will fail to produce if the current trends continue, because there will be nobody left to replace people of my generation and the generation slightly ahead of me when we retire in 10 to 15 years. That level is the next stage and it is very important because, again as in the EC, that is the level at which concrete and long-term relationships are built in a variety of areas.

Senator TIERNEY—There are two trends when we look at the study of languages in universities—the decline in language study, and the advent of greater use of the double degree, particularly for people broadening their education before they enter specialist fields. Is there a trend in these double degrees for people to increasingly pick up languages, or is that not happening?

Prof. Morton—The fever for double degrees really hit 10 to 15 years ago, particularly in terms of Japanese, the area I am most familiar with. When I was teaching at Sydney University 15 years ago, we introduced an engineering arts degree in which you could do a major in Japanese as well as a major in an engineering area. The same thing applied to law. You can pick up generic double degrees at Newcastle in a variety of areas. When that happened, we found that the biggest implementation problem was that you had two different faculties teaching different blocks of lectures. It was difficult to arrange classes that both sets of students could attend. In some cases, special classes had to be put on and that meant those classes and teaching resources, such as teaching staff or materials, needed to be funded.

That era of initial enthusiasm has passed and there has been a strong drift away from languages in universities. That is a consequence of the fact that they are now seen to be extremely difficult. The earlier vocational link with teaching is perhaps not as strong as it was. In addition, the financial pressures on universities have meant that they are not funding or subsidising subjects with low enrolments as they did for most of the past 30 or 40 years. That subsidisation was supported by government. Students' choices have drifted away from the difficult subjects and those subjects are dwindling. The current double degree structures in universities are not drawing as much on languages. If they do draw on languages, they often draw on languages only at the very elementary level where there are large numbers to support that and, at the very elementary level, you learn very little. It is perhaps better than doing a class on ikebana, but you do not learn a great deal. It does not prepare you professionally for any kind of work in languages.

Senator TIERNEY—There is also a long-term decline in schools in that regard. Top students used to study French and Latin and I think you had to have one of those languages to enter Sydney University until the sixties. That is no longer the case. Could you update us on how the trend across to other languages is developing in schools? There was a great rise in the teaching of Asian languages. How is that progressing? What is the current trend for Asian languages and for Latin, French, Italian, Spanish and languages like that?

Prof. Morton—My knowledge is more about New South Wales than nationally, but from what I have been told by my colleagues in other states, what is happening here is happening elsewhere. With regards to the HSC, if you look at the number of students who presented for

languages over the past 20 years, the overall number has hardly changed. When there was a shift from European languages to Asian languages as they came on stream in schools, that took students away from certain European languages. French has always maintained a strong and fairly healthy position in language teaching in this state, but German suffered very much as a result of the introduction of Japanese. Probably more than a half of the students presenting for Japanese at the HSC now would have presented for German 25 years ago.

The other consequence of the fact that the pool of students taking languages has not grown is that, in comparative or relative terms, the number has shrunk enormously.

Senator TIERNEY—Are you talking about an absolute number?

Prof. Morton—Yes. The number of students presenting for the HSC has tripled or quadrupled over the past 25 years. However, the number of students taking languages has remained the same. So in relative or absolute terms, the figure has shrunk dramatically. That does not help when you get to tertiary institutions which have an even smaller group of schools to draw on. The crisis period has been in the past three or four years. The fall off across the board has become very dramatic. Looking at the Hunter region, the number of schools that were designated as language high schools or which taught languages has really dropped off and, unless they have been able to teach other subjects, language teachers have become unemployed. I know that from personal experience because my daughters went to two schools in the Hunter region and both of them abolished classes in Japanese while they were attending those schools. That is common here and in certain parts of Sydney.

So it is unfortunately doom and gloom, as I think all the national surveys and all the peak bodies of language teachers have shown. It is really very dangerous. We are getting to the point where we are not going to have sufficient numbers to maintain any kind of continuing presence. That is why I talk in my written submission about the erosion of this infrastructure, which could not have been built without the massive support of government. Before the Second World War, Australia had practically no large scale investment in the teaching of languages and cultures—I want to stress the issue of cultures as well; meaning, of course, society and so on—and after the war we had a very impressive structure. We are slipping back. We are getting back to the stage where we were in the early fifties.

If it continues to decline, we are going to go back to the situation that existed before the Second World War. Think about our current political and economic links to Asia in terms of the world now and compare that to what it was in 1928 when we were part of the British empire and our trade came from Britain and so on. We are actually going to be in a situation worse than we were then. This is the prospect that we are looking at. It is really quite terrifying. This came home to me in the CHASPA conference that I attended last year in Melbourne, where the heads of all Asian studies departments in Australia gathered in Melbourne as part of the Asian Studies Association of Australia Conference. The news, particularly from the states that do not have the resources that New South Wales does in terms of population, was absolutely terrifying. In places like Tasmania and South Australia, languages are disappearing. It is just unbelievable.

Senator TIERNEY—With absolute numbers in schools not growing, the ramifications, of course, go through to the university system.

Prof. Morton—That is right.

Senator TIERNEY—The Australian Academy of Humanities has made proposals relating to a collaboration between universities to help preserve the study of certain languages. Could you update us on your reaction to those proposals and perhaps report on any progress within the universities or any examples of best practice where that sort of collaboration is actually occurring?

Prof. Morton—If it is the recommendations of the subjects of small enrolment in the humanities report—and there is a copy of that here—there have been discussions in Victoria and, I understand, Queensland, but to my knowledge nothing concrete has taken place in New South Wales. This is not the first time this particular strategy has been proposed. About 20 years ago, when Japanese and Chinese were beginning to take off, and shortly after I began my university career as a teacher, there were similar strategies proposed in Victoria and there was discussion about implementing them in New South Wales, where you had one university nominated as being the centre for, say, Chinese studies and another university, say, as the centre for French studies. It did not work in Victoria, and I think there were all sorts of reasons behind that. For one thing, Australian universities, unlike perhaps universities in some other comparable Western societies, generally geographically are widely separated. Even in a place like Melbourne, to travel from Monash to Melbourne University, even with the wonderful transport infrastructure that has been developed over the past 10 or 20 years, it still takes you a long time.

The University of Western Sydney, about two years ago when they started the first of their series of restructurings, decided that they could not have different subjects taught at all the different campuses. There were complaints from students. We have very small numbers, so if a handful of students put up their hands and say, ‘We’re not going to take the three-hour round trip; we live out west near Penrith and we are not going to take the round trip to come in,’ that tends to militate against it. The other problem was putting resources into one given centre. Universities were not willing to say, ‘We’ll give all our resources in terms of books and all the rest over here so people can go there.’ The universities would not accept that. So there are all sorts of practical problems associated with implementing this strategy.

In general, I support the recommendations of this report, and I would like to see discussions simply, as it were, to keep the ship afloat. In a sense, it is a kind of triage arrangement that they are talking about. I think we have to get back to basics and say, ‘As a country do we want to have expertise in these areas?’ If we do—and I think we need to—then we have to do something about it in a more radical way. I think triage, after all, is sacrificing some patients for others. I do not think that is really an optimum solution.

Senator TIERNEY—Turning to the question of research into languages, this committee carried out a major study six years ago on university research. One of the things we looked at was the ARC grants. We listened to submissions from the humanities, claiming that the way in which the panel situation worked in the allocation of grants was biased against the humanities. What recommendations would you have to the committee—you might want to talk about humanities in general but languages specifically—to perhaps give your area a better shot at these grants?

Prof. Morton—The only specific measure that I proposed in the last couple of years was when I had discussions with our pro vice-chancellor for research, Professor Ron MacDonald. Ron and I talked about putting up a proposal. He asked me to draw up a proposal to take to the ARC to say that translations should be included as scholarly documents that can receive funding and be granted and be counted for points under the ARC allocation system. These of course were not translations of operating instructions for toys, but translations of significant cultural, intellectual, scientific works. That proposal was not accepted. The University of Newcastle mirrors the ARC allocation in terms of the ARC priorities; and so, when you click on the web site to put in your publications and you get part of the research quanta for those research publications which are funded externally by the ARC, there is absolutely no category for translations of this nature. So that is one concrete measure that the ARC panellists could have a look at.

As I said in my submission, it does not matter whether you are looking at the history of science or of the humanities in the west, it is basically built on translations. So the considerable effort in time and expense to do a major translation is simply not recognised by the ARC, by our granting bodies—except in certain narrow circumstances when you can perhaps slip it under the cover of something else. I think that is a deficiency that can be remedied that would certainly assist people who are working in the language and cultural areas, because translation is obviously a central focus of their work. There are probably other broader measures that could strengthen the humanities and make a more stable funding base, as it were. But I guess the problem, as I am sure you have heard, is that the overall quality of applications for ARC grants is very, very high and most of them do not get funded. This is, I think, the big problem.

Senator TIERNEY—But you would be pleased that, under Backing Australia's Ability, we are doubling ARC funding?

Prof. Morton—Yes, indeed. We are all very pleased with that.

Senator TIERNEY—That may mean success rates: it is double the money, and goes from 17 per cent up to over 30. Our earlier committee actually established that that was probably a good point for them to be at.

Prof. Morton—That was welcomed by everybody. We need more of that.

Senator TIERNEY—Thank you.

Senator CARR—Have you raised your concerns with the minister?

Prof. Morton—The concerns that I have put in this submission?

Senator CARR—About that inquiry and language teaching. Have you taken your concerns directly to government?

Prof. Morton—I have not taken it directly to government, other than this committee, because—

Senator CARR—I want to assure you that this is not the government.

Prof. Morton—No; but it is the parliament of Australia. The reason for that was when I attended this meeting last year—I think there were 30 of us from around the country, from every major university—we actually had the figures on the table for the first time. To be honest, until last July, I had not realised personally just how bad the situation was. I knew we were in decline, but I thought, ‘Oh well, some areas are weak and some areas are strong.’ When that decline was tabled and we had people like John Ingleson and Tony Reid from the ANU and the University of New South Wales—people who have been involved in advising government on education on Asia for two decades, and in fact authored reports which were part of the postwar boost to funding in these areas—raising these issues, I remember saying to both of them, ‘Look, guys, isn’t it about time that, as a peak body, the ASAA, the Asian Studies Association of Australia, put in a submission to the minister?’ I hope I am not breaching any confidences, but the response was, ‘The funding dilemma has affected a whole range of subjects—maths, science and so on—and we are now competing for the minister’s ear with several other important bodies. If we put in a submission strategically at this time, it is not likely to be heard—because it is going to be drowned out by the mathematicians, the scientists and so on.’

Senator CARR—But is that directly the issue here? The funding starvation policies have had a direct effect on the provision of education in this country, and you happen to be one of the victims. Isn’t that the submission you are putting to us?

Prof. Morton—Yes, that is the submission I am putting to you.

Senator CARR—It has of course been put to us that you are not the only language where that has occurred. Australia has in fact lost five or seven other languages.

Prof. Morton—You could go on. If you count the community languages and not those languages deemed of national interest, then they have lost masses, yes.

Senator CARR—And that is the point, isn’t it? The funding policy is having a very serious effect on the quality of education and also on the national interests served by education.

Prof. Morton—That is precisely the point.

Senator CARR—How does our treatment under this government compare with that of the OECD? Is that the standard policy? Are other governments pursuing these sorts of policies in regard to language education?

Prof. Morton—I have not done research in this area. My information would come from the kinds of newspaper articles written by people like Simon Marginson, in particular the briefing document that he prepared for Mr Beazley recently, which was widely publicised. From reports on that—and this is consistent with other information that has come out in the educational press—it would seem that we are not doing very well at all in comparison with our OECD neighbours.

When you travel, as I do, to Europe, the US and Japan, it is fairly obvious that there is a much more concerted push in those areas to preserve what they regard as areas central to their national interest, such as the teaching of languages, the teaching of foreign societies and so on. I visited the US last year and I visited quite a lot of smaller universities—universities that we would not

think of as the giant, mega-Harvards or the Princetons, places like the University of Colorado and so on—and gave papers at these institutions. The amount of funding and the amount of support that they have from their governments, federal and state, for language teaching and the teaching in particular on Asia is just unbelievable, when compared with the amount we have. You can see that in these small centres they are very proud of the work that they do. They produce fine scholarship and they train people for a range of professions. We, as I said in my submission, are losing the capacity to do this.

It does worry me quite a deal when I go to places like that and find that the smaller institutions—which in a way, I suppose, ought not to be comparable with our larger institutions—are not only so much better funded but also so much more concerned about this issue. Again, when you go back to Australia—and Australia is not poor, obviously: I travel in Asia as well, and we are very prosperous compared to many of our Asian neighbours—you have to look at it, I suppose, in terms of shifting political priorities and perhaps think that people who are in positions of authority have dropped the ball to some extent, perhaps because they do not know the extent of the damage. I do not know. I cannot answer that question.

Senator CARR—Thank you.

CHAIR—There are no further questions. Thank you very much for appearing before the committee.

[2.30 p.m.]

CHEONG, Ms Gem Po-Chioh, Secretary and Registrar, University of Newcastle

ENGLISH, Professor Brian Anthony, Deputy Vice-Chancellor, University of Newcastle

MacDONALD, Professor Ronald James, Deputy Vice-Chancellor, Research, University of Newcastle

PENFOLD, Mr Brian Lewis, Executive Director, Finance and Property, University of Newcastle

CHAIR—Welcome. The committee has before it your written submission it has numbered 265. Are there any changes you wish to make to it?

Prof. English—No, there are no changes. There are one or two typos, but I think you have sufficient skill to pick those.

CHAIR—I now invite you to make a brief opening statement and then we will move to questions.

Prof. English—As you said, the committee has our written submission and I do not intend to re-present the written submission to you. I remind you that we prepared our submission under six headings to do with plans for the future. We have recognised both the inevitability and to some extent the desirability of the commercialisation of many aspects of higher education, particularly research consultancy and some aspects of teaching.

We are adamant in our support that suitable standards for admission and assessment must be maintained and to be seen to be maintained. We have made some comments about regulation of higher education in the global world. We would probably like to add some comments about that today, particularly in terms of the compliance regime that now affects higher education and continually adds to the demands on universities to meet the various legislative requirements. We have also made some submissions about access and affordability. We are particularly interested in putting a case that the committee supports the idea of growth places in the system, particularly growth places in particular areas, and that salary supplementation, other support et cetera are increased. The system is under severe pressure from shortage of funds. I think that is probably the standard introduction you have been hearing all around the country.

Senator CARR—Do you support Professor Chubb's comments that the university sector is in crisis?

Prof. English—'Crisis' is an emotive word and there are two kinds of crises I suppose: one is the unforeseen terrible event that might occur and the other is the kind of developmental crisis like adolescence that you should be able to anticipate. I support his views in the sense that we are in the second kind of crisis. We are in a situation that was clearly able to be anticipated. The running down of the system should never have been allowed to happen. So it is only a crisis in the sense that we did not prepare for what could have easily been avoided.

Senator CARR—What do you think is the consequence of this policy failure in terms of the quality of education that is able to be offered by Australia's universities?

Prof. English—Again, the failure to anticipate has had two consequences, and I will start with the positive. I believe it is true that there were many aspects of higher education which had not been properly planned, properly monitored and perhaps not even properly managed. There might have been—and probably there was—a strong case for some discipline to be applied to some areas. That discipline really was to fund activities rather than provide block grants and so on and to make sure that we demonstrated what we could do. We have certainly been forced to do that. But there is no slack in the system. There are many myths around about academics who do not work, systems that are wasteful and so on. They are simply not true for the vast majority of the system and for the vast majority of any institution.

The blunt instrument, if you like, has probably had any positive effect it might have had. We are now in the situation where students do not have the support that they need to complete a degree. Even our best students work part time. They are forced to work in order to support themselves. Most of our infrastructure is running down. Our laboratories and so on are not supported to the extent that they need to be. There has been a move to require everybody to pay for what they get rather than to invest in talent. Salaries and conditions for academics are well down compared with international standards, and we are now at the stage I believe where we are doing harm to the country.

Senator CARR—How have the staff-student ratios changed at your university since 1996?

Prof. English—Staff-student ratios at Newcastle are just below average for the system. I will not take you through all the discipline fields now, but I will leave you with a paper. Ours tend to be just below average, but they have risen on average by about four student members to every staff member over the last five years.

On many occasions people misunderstand staff-student ratios. They think that that simply means you have bigger classes. Staff-student ratios are really about the research effort of universities. The universities that have the lowest staff-student ratios are the research-intensive universities. The universities with the lowest staff-student ratios in the country are Sydney, New South Wales and Melbourne, followed by Queensland, et cetera. The University of Newcastle—because we are research intensive but we amalgamated with a higher education institution 10 years ago—has been dragged back towards the average because we have mixed teaching and intensive research activity.

But the growing number of students compared to staff really means that we are able to devote less of our effort to postgraduate work. We have more postgraduate students than we had 10 years ago, but proportionately we are able to devote less effort to it. Our staff, who should be able to have periods of research et cetera, are required to teach. So staff-student ratios are not about class sizes but about the mix of teaching and research.

Senator CARR—Nonetheless, some of your colleagues have drawn our attention to the decline in quality as result of the decline in staff morale, the increasing demands upon staff and the changing nature of staff. There is increasing casualisation. Has there been an increase in casualisation at your university?

Prof. English—No, there has not. We carefully monitor the use of casuals, and there has not been an increase in casualisation. Again, we will leave a report—

Senator CARR—Would you say in the general, though, that the morale of staff of staff is down on what it was?

Prof. English—Morale is definitely down in our university and, from my soundings in the system, in the system.

Senator CARR—What about the question of class sizes generally, though? Have tutorial groups, for instance, increased in size?

Prof. English—That is a very difficult question to answer with a simple yes or no, because it is very discipline dependent. Certainly throughout the system class sizes have grown, and in many disciplines they have grown dramatically. But it is not, as I said before, a simple question of ‘we now just put more bodies in rooms’; it is a mixture of larger classes in undergraduate groups and a reduced number of research only academics.

Senator CARR—Has there been a deterioration in the infrastructure available to universities?

Prof. English—Again, there is a deterioration and there is a failure to meet new needs. If we were sitting here 10 or 12 years ago most of us would not have heard of the web, for example. The move to digital and electronic means of communication that now pervades the whole of higher education simply has not been paid for. It has been taken out of other areas of our budget.

Senator CARR—Has the funding of libraries improved or declined?

Prof. English—The funding of libraries has declined, and with the decline in the Australian dollar our library now can effectively spend half of what it could 10 years ago.

Senator CARR—What impact does that have on the quality of education that is able to be provided?

Prof. English—Is that a rhetorical question?

Senator CARR—It is a straight question for you to answer in any way you feel fit.

Prof. English—Anybody would know that if we are spending less than half of what we were in real terms 10 years ago on libraries, when our student numbers have gone up by 50 per cent, the quality of education is significantly—

Senator CARR—For all of these questions I ask: can we assess the effect on quality of these budget cuts? The argument I put is that there has been a dramatic decline if you measure all of those things in a cumulative way. Would you agree with that?

Prof. English—Whilst I would like to speak to it for about 10 minutes, in simple terms, yes, I agree that there has been a dramatic—

Senator CARR—I must acknowledge that you welcome the Labor Party's policies in regard to the pool of 400 new fully funded HECS exempt postgraduate research places. This, of course, follows the reduction of the funding of postgraduate load by the government from \$25,000 to \$21,500. How has the loss of postgraduate load affected your university?

Prof. English—I defer to my colleague the Deputy Vice-Chancellor, Research.

Prof MacDonald—The university has always had a strategic aim to build our research numbers to approximately six per cent of our total student load. That would mean that we ought to now have in place around about 700 postgraduate research higher degree students, in effective full-time unit terms. The government has restricted us to 583 places. This has an obvious effect on our ability to deliver in research terms, on our ability to deliver the role that we have in providing skilled people for the Australian work force.

The research scheme as put up by the government actually represents a conflict between two major policies of the current government. On the one hand, the Research Training Scheme reduces the number of postgraduate research students who can be funded by the Commonwealth for a place within an institution. On the other hand, under the Innovation statement they are telling us there is more money for research, the ARC is going to increase its money, there is more money for infrastructure, and part of the areas where we would use those funds is in fact in growth of research higher degree places.

Senator CARR—Your submission also asserts that changes to HECS arrangements are deterring enrolments, especially in the sciences. On what basis do you make that claim?

Prof. English—I make it on two bases. One is that HECS has two bases. One basis for HECS is that it is a contribution to your education. That is probably unarguable—that people should make some contribution. The other basis for HECS is it is partially related to either the cost of the course or to the alleged benefit you get from the course. If you are costing the delivery of, say, the humanities and law, they are comparable; but humanities is in the lowest band of HECS and law is in the highest band, because of the alleged difference in future earnings. Science has been put into a high band mainly, I guess, because of the alleged cost of delivering it. It is more costly to deliver. Enrolments in science have dropped dramatically in this country over the last several years. Our faculty of science direct enrolments have dropped about 16 per cent. Part of the reason for that drop is the increased HECS: students potentially coming into science are not prepared to pay higher HECS fees—they are in effect a fee—for a qualification which does not necessarily lead to either a high prestige or a high income job.

Senator CARR—It may well be argued it is effectively a tax and that the universities are required to collect a tax on behalf of the government. Do you think that is having a particular effect on some social groups more than others? For instance, has it increased the level of access for poorer people in this country or does it make it more difficult?

Prof. English—HECS combined with the changes to the Austudy and Abstudy arrangements make it extremely difficult for people from low income backgrounds to attend university, particularly on a full-time basis. They must supplement it with work.

Senator CARR—The picture you are painting is one which substantive evidence across the country is supporting—of a decline in funding leading to a decline in quality and also a decline in equity. It is becoming a system that is actually more unequal.

Prof. English—Could I add a fourth plank to your argument? Every year, with population growth and no growth in undergraduate load, the number of places available get proportionately reduced. The only way universities can take people, if they are committed to equity, is through various poorly funded schemes or by overenrolment at the marginal rate. With population growth, we are effectively cutting back the number of places each year.

Senator CARR—So there are further pressures on quality.

Prof. English—Yes. They affect equity groups.

Senator CARR—This is a very sorry state of affairs. The universities have been required to try to make up for these shortfalls by turning to private sources of funding. How have you gone in that regard? Are you able to find sufficient?

Mr Penfold—The major sources of non-government funding for operating purposes are the fee income from full fee students, particularly the overseas students. I think it is fair to say our university was a little late into the market and for that reason has found it a little difficult to get the numbers that we really have wanted to get over the years. We are gradually increasing that, but that is bringing pressures with it as well because of the cost of marketing and so on. It is very competitive, with competition not just from Australian universities but from universities in other countries. It is very difficult to increase the numbers of international students.

The other area is investment income. The university being a regional university and not a very old one, relatively speaking, does not have a huge amount of bequests. While we do as well as we can with the investments side in earning revenue, it is not significant relative to some of the metropolitan universities.

Senator CARR—What percentage of your students are now overseas or international students?

Prof. English—About 8½ per cent.

Senator CARR—That is about the middle band in New South Wales, isn't it?

Prof. English—Yes, we would be in about the middle band.

Senator CARR—The last report I have here, the higher education triennium report, gives 7.1 per cent for 2000. That compares with New South Wales 20.6, Macquarie 13.2 and Wollongong

19.2. It is obviously becoming difficult in that area. You say the private sources of income in terms of investment income are not particularly strong.

Mr Penfold—That is true because, as I said, being a regional university we do not have bequests.

Senator CARR—There are serious questions about the equity arrangements of that policy as well. That is what I am pointing to. There are some questions here also about governments and how that is actually managed. I want to deal with that in a moment. It seems to me that wherever you turn there is considerable pressure being placed on a university such as yours. How are you going in terms of your financial safety margins?

Mr Penfold—Our financial safety margin is not too bad. Mind you, we did have a deficit last year, an accounting deficit, for the first time in many years, but that is due to one-off matters which are not expected to recur. We do not have any borrowings. We do have money invested but not much of that money is uncommitted. It is there for provisions for employee benefits, superannuation and all the rest.

Senator CARR—Yes. So your financial predicament is not as precarious as New England's.

Prof. English—Certainly not.

Senator CARR—You do not want to be in that category!

Prof. English—We are not in that category. Could I add an extra comment. Eighteen months ago we settled an enterprise agreement with our staff. We were the first agreement negotiated in the country and I suppose to some extent we helped to set a benchmark for academic salaries. We did not deliver to our staff anything like what I think they are worth. Financially we are well managed, but there is a lot of things we would be doing if we had more income, including paying our staff more.

Senator CARR—It seems to me that the points you are making to us are in sharp contrast to the way in which some universities are run. I do not get the same sense that there is an adversarial model being pursued through the university, which is to me very welcome. This issue of the university as the enterprise has been argued; you have been told that you have to go out there and make a quid, that the government is not available to perform its traditional function in terms of providing support for you. Recently a DETYA official has reported that in fact one university in this country has costs of 92c to earn a dollar of private income. Mr Michael Gallagher said to an OECD conference last year that earned income is extremely hard to win, it can be volatile and uncertain, there is a cost for funds earned, and when earned they may be available for use only in designated activities with little discretion for the university at large, and that tasks in university management are becoming more complex and require new skill systems and culture. For all the effort the universities have been making to grow their income, the impact on the bottom line for many is apparently adding little if any to surpluses. Could you comment on that?

Prof. English—Could we make two comments—a financial one and then a policy one?

Mr Penfold—I think there is some merit in that comment. Just to give you an idea, for the international student income that we receive it costs us somewhere around 15 per cent for the marketing side of things and maybe 15 per cent to 20 per cent for the direct administrative costs. There are capital costs on top of that. At the end of the day, we are actually giving faculties about 50 per cent of the revenue that is received and the faculties themselves are undertaking quite a lot of marketing. Then, of course, they have the expenses involved in the teaching of those students. So I would suggest that there is not much or anything left at the end of the day.

Senator CARR—With the prospect of the dollar rising, it might well be argued that the capacity to attract international students might seriously be at risk. What do you say to that?

Prof. English—I have two comments. Yes, I agree that the rising dollar will have an effect on our international students. I would like to make the policy statement that I was going to make before about international students. If you have no funded growth—so you are in a steady state institution where you cannot have increased places—it is extremely difficult to introduce any innovation and it is extremely difficult to maintain the breadth of staff that you need to give a broad range of offerings. Regarding the University of Newcastle, although we are regional we have a very broad range of offerings. We do everything from medicine to fine art—almost everything, except pharmacology, dentistry and veterinary science—so we would need growth in order to continue to develop and to do those things. We also need international students to, if you like, internationalise the experience and so on of our own students. So international students are a good idea and growth is a good idea. If you are doing it only for money, you do not make money out of it and you might make less money if the dollar recovers.

Senator CROSSIN—We had a number of submissions from people connected with the university—Dr Blackmore and Dr Parkes. Did you want to use this as an opportunity to provide some response to those submissions?

Prof. English—I do not believe so. I think each of the submissions make points that they wish to make. I am happy to answer any questions that they raise, but I do not believe that they raise any issues which we specifically want to address from a university point of view. I have one comment: if you do ask questions on them, we would prefer to answer those in camera because of a current court case.

Senator CARR—Could you put a confidential submission, which is not for publication, to us on that basis?

Prof. English—I have already spoken to the secretary of the inquiry. Dr Parkes's submission refers to a case and the circumstance is that it is currently undergoing legal proceedings. If we wish to discuss that, I would like to do that in camera.

Senator CARR—That can be done. Any comment that you want to make can be done in camera.

Prof. English—I have no comment to make. If I am asked any questions, I would like to answer them in camera.

Senator CROSSIN—Finally, what particular problems and challenges do you believe face regional universities in the current climate of policy and funding? It is a criterion that is prevailing in the sector.

Prof. English—There are a number of things that we face. Leaving aside all the comments that we made about reduced funding, et cetera, the specific things for regional universities are that we have to offer a broad range of courses and disciplines at a viable level for the community in which we exist.

Senator CROSSIN—Is that because the community expects you to do so?

Prof. English—The community expects us to do so and the community needs us to do so as regions cannot have large numbers of their students leaving the region to do various courses. Over 50 per cent of students these days are not coming straight from school to do full-time courses. They are part-time and continuing students with occupations, families, jobs and so on, and they need education near where they are. You can do some of that by distance education, but much of it you cannot. So regional universities have to be able to deliver from where they are. We then have unique costs and difficulties associated with that that are not recognised and we are unable, on many occasions, to draw on the kind of resources that we might do in collaboration with another institution in a metropolitan area. So there are a number of things that make a regional operation that much more difficult to do at a viable and highly professional level. That should be recognised.

Prof. MacDonald—I would like to make a comment there. In Victoria, for example, there is a consortium that teaches geological sciences amongst the three universities in Melbourne. There is no way that we can do that in an area which is a major mining area in Australia, so we have to maintain our own geology course.

CHAIR—That concludes the questions arising from your submission. Thank you for a very detailed submission.

Committee adjourned at 2.56 p.m.