

30 March 2001

The Secretary  
Senate Employment, Workplace Relations, Small Business  
and Education References Committee  
Suite S1.61  
Parliament House  
CANBERRA ACT 2600

Dear Sir

I enclose a submission from Securities Institute Education to the Committee's inquiry into the capacity of public universities to meet Australia's higher education needs.

The Institute would be pleased to discuss its submission with the Committee.

If further information is required please contact

Sue Phillips  
Phone (02) 8248 7546  
Fax (02) 8248 7696  
Email [s.phillips@securities.edu.au](mailto:s.phillips@securities.edu.au)

Yours sincerely



Penny Le Couteur SIA (Aff)  
Managing Director

# **The Capacity of Public Universities to Meet Australia's Higher Education Needs**

A submission made by



The Securities Institute of Australia

to the

Senate Employment, Workplace Relations,  
Small Business and Education  
References Committee

March 2001

## **Executive Summary**

This submission is prepared by the Securities Institute of Australia (SIA) and provides a private higher educator's perspective on the higher education sector, emerging trends and the government's ability to resource the increasing demand for tertiary studies now and over the medium to long term. This increased demand will occur in response to domestic and international workplace pressures, increased competition brought on by improved delivery techniques and technologies as well as the trend towards life long learning. It cannot be met by publicly funded institutions alone and private education providers will increasingly play an important role in meeting this need. Nowhere will this become so evident as in the area of vocational education and training.

The Institute believes that other models of funding need to be explored if more Australians are to have access to higher education and training. Australia is well below the US, Japan and many European countries in the proportion of our population that has undertaken post-secondary education. Current funding arrangements do little to address this issue.

A user pays model is one alternative. The experience of the Securities Institute as a major provider of education and training to the finance sector over 35 years clearly demonstrates that the provision of educational qualifications on a full fee for service basis is compatible with the promotion of educational integrity.

The Institute also argues that the Higher Education Contribution Scheme (HECS) should be extended to participants who choose to obtain their qualifications from private institutions.

## **Overview of the Securities Institute**

The Securities Institute of Australia (SIA) is a national organisation representing people engaged in the securities and financial services industry. Membership is wide, drawn from stockbrokers, merchant bankers, investment analysts, fund managers, bankers, investment advisers, securities dealers, lawyers and accountants.

Since 1966 the Securities Institute has provided educational courses and membership services to the industry. The past three decades have seen the Institute grow from a small group of industry practitioners into the respected national body it is today.

The Securities Institute focuses on the dissemination of information through education, training and continuing professional development activities. Traditionally, graduates of its courses become members of the SIA.

The Institute's postgraduate and open-entry educational programs enjoy an international reputation for excellence. In 2000, over 15,500 students from Australia and overseas enrolled in these courses. In addition to the award courses, thousands participated in practical training courses and continuing professional development activities.

In 1998 the Institute introduced some new and challenging subjects within the open-entry education program, which allow for a more specialised level of study. Students now have the opportunity to complete a Diploma of Financial Advising or a Diploma of Financial Markets, plus Certificate IV and Certificate III awards in both fields. These courses complement the Institute's postgraduate courses, the Graduate Diploma in Applied Finance and Investment and the Graduate Diploma in Financial Planning. The Diploma of Mortgage Lending and over 45 short financial training courses are also available.

Since 1999 the Institute has offered a Masters in Applied Finance and Investment designed for individuals who wish to excel in this very competitive environment. Building on the sound foundation of the Graduate Diploma in Applied Finance and Investment, this course offers academic credibility and practical involvement at every stage of its development. It is achieving market recognition because of its advanced content, the required skill levels and the Institute's reputation for providing quality education to the industry.

The Institute's commitment to the ongoing development of practical, career-oriented courses allows members and students to enhance their knowledge and skills, while improving opportunities for career development and promotion.

In addition to the Institute's educational role, its National Policy area plays a pivotal role in representing members' views to government and regulators with the aim of influencing reform initiatives designed to bring about more efficient and effective standards within the industry.

### **The adequacy of current funding arrangements**

The SIA is not in a position to comment on the ability of Australia's public universities to meet current and future demand for education courses from a capacity perspective. However there is no doubt that the growing trend towards domestic and international students seeking vocational career orientated education and training will continue. It is from this perspective that the SIA is confident that professional associations, such as the SIA, are in a position to meet this demand due to their strong industry links. Any attempt to duplicate such arrangements and education courses by public universities would only serve to dilute the limited resources that are currently available to higher and vocational education.

Other funding arrangements need to be considered. One such arrangement is the user pays model developed by the Institute – an arrangement that delivers leading edge and high quality education cost efficiently. The educational integrity of Institute courses is in no way diminished by operation within an educational business framework. It cannot be, because the Institute's success in a very competitive market is based on the reputation and therefore the quality of the education it provides. Many of our students receive financial support from their employers, so our graduates must have the knowledge and skills the finance industry needs.

In considering funding arrangements the SIA would argue that restricting the Higher Education Contribution Scheme (HECS) to students at public institutions is inequitable. Private providers are an essential part of the higher and vocational education sectors, and while many of their students receive employer support for their studies, others particularly at undergraduate level must meet their own costs or seek financial support elsewhere. The Government's recent innovation statement announced the introduction of a HECS style student loan to enable full-fee-paying postgraduate students in public universities to defer their study costs.

If the Government's aim is to ensure that the limited public resources that are available to higher education and training are allocated in the most cost-effective manner, and at the same time to promote higher education and lifelong learning, this initiative should be extended to fee-paying students in private institutions, and to undergraduate as well as postgraduate students.

Another arrangement that has been proposed is a voucher system that would be available to all students who qualified for financial assistance for tertiary study. If such a system was introduced it would be important that vouchers could be spent on education courses or vocational training with accredited private as well as public providers. Such an arrangement could then go a long way towards encouraging excellence in the provision of higher education and training.

### **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**

The Institute believes that the increasing reliance by the higher education sector upon market influences and behaviours is a positive step and should be encouraged. It has been clear for a long time that decreasing levels of public funding have made it impossible for higher education institutions to adequately play their part in meeting Australia's education, training and research needs. As the level of public funding has declined they have needed to seek alternate sources of funding, and private sector support is now an essential and significant component of their revenue.

At the same time the higher education sector has entered into a variety of arrangements and partnerships with the corporate sector. These include sponsorship of facilities, joint ventures in research and development, and staff exchanges and secondments. The parties involved, students and the community as a whole benefit from these arrangements. They not only enhance student choice but also support the provision of quality education and training.

### **What factors will affect future demand for higher education?**

Overall, the level of demand for higher education courses, and for qualifications in general, is being influenced on a number of fronts and by domestic as well as international pressures. The increasing need for graduates to be job ready and for people in the work force not only to maintain skills but to acquire new ones means that the lines

between vocational training and higher education will blur further. It also means that there will be greater demand for education generally as to work in an environment of constant change will mean that people can no longer obtain an undergraduate degree and never study again for the rest of their careers.

This domestic competition to ensure skills and qualifications are continually upgraded is also being driven by the fact that many Australian industries now compete within a global market place. As a consequence, Australians have to compete not only with fellow Australians for employment and promotional opportunities, but also with international workers, particularly as the number of multi-national companies grows. The influence of these international pressures is being felt most at the higher end of the market.

Another major factor that determines the level of demand for higher education is changing or new government regulations. Nowhere is this more prevalent than in the financial markets with ASIC's policy statement (IPS 146) detailing the competencies required by providers of financial advice. This new education requirement has resulted from the recent overhaul of the Corporations Law (CLERP), and is at present the leading factor affecting the demand for accredited education and training courses in this sector. In the not too distant future, we expect the reform of Australia's business taxation system will have a similar impact. While the comments here relate specifically to the finance sector, the SIA believes that no Australian industry would be immune to changing regulations and consequently this will impact on the demand for higher education within other sectors as well.

While the majority of people undertaking higher studies are doing so with a specific career path in mind, a new trend is emerging which is seeing people who already have an undergraduate qualification pursuing studies in a non-career related field out of personal interest. Although this tends to occur later in a person's working life or during retirement, it will affect the demand for higher education and therefore must be taken into consideration when allocating resources to this sector.

Somewhat related to the emergence of people undertaking non-vocational studies later in life is the increasing number of students who are coming from non-traditional paths to higher education. These are stay at home parents who undertake studies for the first time after their childcare responsibilities have been reduced with children entering primary school, or degree qualified parents using time at home with young children as an opportunity to upgrade skills or undertake new studies. Additionally, more mature age students are undertaking studies. These students have either deferred studies, not obtained the necessary entrance marks from high school or have left school many years ago without completing their secondary education.

In short, people will continue to study throughout their lives, placing higher demands upon Australia's higher education sector, and resulting in the need to allocate greater economic resources to education, be it sourced by private or public institutions.

### **Trends in higher education over the next 3 - 5 years**

The nature of the higher education sector has and will continue to undergo rapid change. These changes are evident in the shift from education as an intellectual pursuit, where learning in itself was the goal, to education that produces job ready graduates. They are also evident in new delivery methods which will continue to revolutionise the sector, as will the need for increased flexibility as student demographics continue to change.

The SIA has identified the following major trends and issues in higher education over the next 3 - 5 years.

#### *Globalisation*

- Enabled by technology, we are now competing not only against the university around the corner, but those on the other side of the world. Globalisation opens up the Australian higher education sector to worldwide competition.
- Internationally recognised qualifications increasingly are being sought by employers and their staff.
- Globalisation changes what is taught and what students want to learn. Education providers need to consider the global nature of our classroom.
- Reputation becomes important in distinguishing what is good in the market place - it is the quality control that learners use.
- Opportunities exist here for partnerships and alliances.

#### *Learner centredness*

- In the past the education system tended to privilege teachers; it is now privileging students.
- The educational monopolies are breaking up and learners are demanding that their needs are met.
- Education is increasingly market driven, asking what customers want. It is not about selling a product, but about meeting a need.
- Learners want learning to be convenient, to fit in with their lifestyle, to enable them to keep up to date, to be agile workers and agile learners. To be able to learn at odd times and odd places.
- Learners want recognition for prior learning, for current competencies, for other programs they have undertaken. They do not want to have to repeat learning, there is no time for that. They want advanced standing and credit transfers.
- Credentialism has probably plateaued. Driving it is the nature of work. There is more demand for portfolio working. There will be a continual re-entry into the educational market, learners will take increasing numbers of courses at the same level. They may collect serial qualifications. There will be increasing demand for pick and mix, and diversity.
- At the same time higher education institutions have a key role to play as researchers, thought leaders and drivers of excellence.

### *Sustainable education*

- Teaching in such a way that it can be seen as an evolving process. Teaching so as not to deskill, but focusing on the future. Much of what we term education inoculates against change, it increases a learner's ability to work in the present system but does not equip them for the future.
- The old system was information rich, driven by existing practice. The new system is sustainable, equipped to meet new challenges.
- Lifelong learning or the learning society is about changing work practices, the need to update and refresh skills all the time and stay ahead of the competition.

### *Disaggregation of education and training*

- In the past Australian institutions have sold big lumps of education – degrees, graduate diplomas, educational programs that have resulted in large qualifications and that take years to attain. Learners will increasingly demand more flexibility. Learners are increasingly time poor and will want fast routes through programs.
- They will want assessment, support and content to be separate, so that they can buy what they want, and all three components need not come from one education provider.

### *Demand for educational brokerage*

- Due to increasing opportunities, nationally and internationally, for educational experiences learners will want to know what is right for them. They will want tailored learning packages that meet their own needs. In the same way that we now have financial planners, personal trainers, and life coaches.
- Educational guidance and counselling is a profession that barely exists in Australia, but increasingly there will be demand as educational opportunity becomes more multi-layered and offers more choices. We need to develop web-based systems, educational coaches something equivalent to financial planners.

### **How can Australia's higher education providers meet that demand?**

The SIA believes that the demands that will be placed upon the higher education sector over the next 3 to 5 years cannot be met by publicly funded universities alone. Already there is a need for TAFEs, private providers and industry bodies to assist in meeting student needs. We envisage that the importance of these latter groups will increase, resulting in strategic partnerships between some or all of these and public higher education providers. In time such arrangements are expected to include international partnerships.

The Institute believes that such partnerships will result not only in easier cross accreditation and credit transfers for students but will also see joint funding applications and sharing of resources, as well as the use of mutual technology platforms.



Finally, the changing nature of higher education will be met through new and existing technologies such as the internet. More and more learning will be self paced, self directed and undertaken at the student's choosing. The era of education on demand has now dawned.

### **Quality issues and higher education**

The SIA has a long history of providing independent high quality education. Its success has been built on the synergy and interaction between the 150 full time professional, technical and educational staff and some 1,500 industry specialists who write subject materials, develop assessment and present programs.

In addition to the use of leading industry practitioners in the design, production and delivery of our courses, the SIA has a number of academic governance committees whose members include practitioners and academics from other educational institutions, including universities. The role of these committees is to ensure that the Institute's academic integrity is maintained and industry needs are being met. A list of committees and committee members is attached to this submission.

The key to ensuring that standards are not compromised is the rigorous quality assurance system applied by the Institute. Industry practitioners determine the content and assessment strategy for subjects, and ensure that assessment is fair, accurate and appropriate. This process begins with setting clear learning outcomes for each subject offered, and these are established by asking leading practitioners what they would expect their staff to be able to do after completing that subject. In the case of the Masters course, this process includes leading finance academics. This approach ensures we maintain a practical focus to our programs and that we know what our educational benchmarks are.

Quality of assessment is an important facet of the debate about higher education. If education providers are to meet industry needs effectively, employers must have confidence that graduates do indeed have the knowledge and skills their award signifies. The validity of some university qualifications has recently been questioned, and employers will not support institutions that cannot guarantee the integrity of their assessment regimes. Nor should funding bodies.

The Securities Institute's quality assurance process for its assessment has been commended by industry and by the academic members of its advisory committees. When combined with practitioner input into the design and delivery of programs, employers can be confident that graduates do indeed have the stated learning outcomes for subjects and courses.

It is our belief that the SIA offers a model where fee for service, educational integrity, quality and customer service can successfully co-exist.

### **Diversity in higher education**

Students and employers want choice of providers, teaching and delivery modes. They want providers who can meet their education and training needs in their timeframe and to their specifications. That could be a university or other traditional learning institution or other providers such as private training organisations, professional associations, telecommunications and IT companies or any combination of these. The geographical and institutional fragmentation of learning creates a need to consider alliances and partnerships to achieve efficiency of operation and quality of provision.

The globalisation of economic activity and indeed culture also raises issues for higher education provision. On the one hand foreign owned or controlled enterprises may insist on completion of overseas learning activities, which technology makes possible. Will user choice extend to an American-owned company requiring their employees to use a US educational provider?

At the same time there is a need to consider internationalising Australian higher education programs. As the workforce becomes more mobile and as international issues encroach into local business, learning programs need to equip people for both local and global competence. The financial services industry is currently facing these issues as are other industries, and more will in the future. This may also aid the export of higher education programs but should primarily be seen as a necessity for local learners.

An allied issue is choice of delivery and teaching modes. Students and employers want choice about whether they or their staff attend lectures, study by distance education, online or a mix of these modes. Education providers such as the Securities Institute specialise in tailoring programs to specific industry needs, and to study modes that best suit the industry.

### **The regulation of the higher education sector in the global environment, including accreditation regimes and quality assurance**

As an organisation working across the higher education and VET sectors, the Securities Institute is concerned about the gulf that is developing between the two sectors in terms of operation, accreditation, governance, funding and student financial support.

Clearly, vocational education cannot be quarantined within the VET sector. Much of what is done in higher education has always been vocational. For example, the training of dentists is separated from the training of plumbers more by level of difficulty than any vocational/higher education chasm.

In recent times pressure on universities to become more vocational in orientation and course programming has blurred the boundaries more. It is therefore even less defensible to treat the two sectors so differently and separately. In fact there are many areas of overlap, with universities offering VET diploma level courses and TAFE offering degree level programs.

Given this situation, the Securities Institute pragmatically entered into a variety of accreditation arrangements. The accreditation of our Masters program operates within a very different set of arrangements to that of our Diploma programs, yet they all relate to the same industry. Some accreditation arrangements are State based while some are national in the sense of mutual recognition.

The obvious complexity of operating across two distinct sectors thwarts our aim to offer a seamless set of programs leading students from Certificate III through to Masters level.

Accreditation is also an issue at the international level. Increasingly students and employers want qualifications that are portable, that are recognised internationally. They also want awards and professional qualifications gained overseas to be assessed quickly to avoid unnecessary and costly duplication of study. At the same time professional associations want to ensure standards in their industry are maintained. Several players have roles here - universities, the National Office on Overseas Skills Recognition (NOOSR), private providers and professional associations - and while all are key players this fragmented approach is costly in resources and time.

A faster, more cost effective and more coordinated approach to assessing overseas qualifications and to getting Australian awards recognised internationally is required. The Institute would be pleased to participate in discussions to address these issues.

### **Closing comments**

This submission represents a broad overview of the Securities Institute's views on the issues facing Australia's higher education sector and affecting its capacity to meet current and future demand.

The Institute would welcome the opportunity to elaborate on the issues raised in this submission during the course of the Senate Committee's deliberations.

## **Attachment 1 – Academic Advisory Committees**

### ***Masters External Academic Advisory Committee***

Professor Bob Officer FSIA	Melbourne Business School
Dr Chris Caton ASIA	BT Funds Management
Dr Phillip Dolan ASIA	Macquarie Investment Management Limited
Dr Jack Gray	Grantham, Mayo, Van Otterloo & Co. LLC
Ms Penny Le Couteur SIA (Aff)	Securities Institute
Mr Wayne Lonergan FSIA	Lonergan Edwards & Associates Limited
Professor Bruce McKern ASIA	Mt Eliza Business School
Professor Greg Whittred ASIA	Australian Graduate School of Management

### ***Graduate Diploma Academic Advisory Committee***

Ms Marianne Birch FSIA	Macquarie Bank Ltd
Dr Jim Beck	Open Learning Australia
Professor John Hedberg	University of Wollongong
Mr John Keeves FSIA	Johnson, Winter & Slattery
Mr Dennis Macnamara	Securities Institute
Dr Louise Moran	Lifelong Learning
Ms Eva Skira FSIA	Consultant

### ***Open Entry Academic Advisory Committee***

Professor Andrew Gonczi	University of Technology, Sydney
Ms Evalina Chan	Sydney Institute of Technology
Mr Neil Costa SIA (Aff)	Market Masters Pty Ltd
Ms Jane Diplock	Australian Securities & Investments Commission
Mr David Grinston FSIA	Grinstons
Mr William Graus FSIA	Victorian Funds Management
Mr Dennis Macnamara	Securities Institute
Ms Joan Street ASIA	Securities Institute