

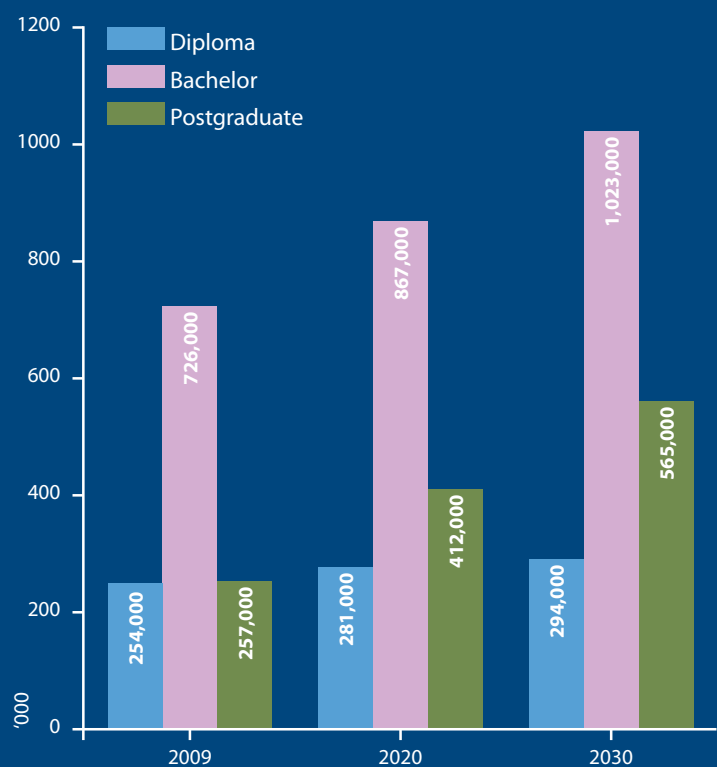
Challenge to meet future demand for higher education

In late August the Go8's executive director gave a presentation at a seminar hosted by the CSHE and LH Martin Institute. The presentation highlighted a number of challenges for the higher education sector in the current uncertain political environment. This is an edited extract of his paper.

The overarching challenge is to sustain the quality of Australian higher education in a context of expanding student demand—driven by demographic and participation factors—amid fiscal capacity constraint.

Domestic student demand for tertiary education will begin to rise rapidly from 2015, driven mainly by growth in school leavers commencing Bachelor degree courses, and by increases in undergraduate and postgraduate participation rates. Go8 estimates indicate that upwards of an additional 450,000 domestic students (EFTSL) will be participating by 2030. This includes an additional 230,000 undergraduates and 150,000 postgraduates, and 70,000 in diploma programs.

Estimated Future Domestic demand for Higher Education



If the bulk of the future growth were to be absorbed within universities, assuming a domestic enrolment of around 15,000 for a medium-sized university, then over the next 30 years we would need to build around 24 new ones, nine of them in Queensland.

If the projected growth by 2030 was absorbed in Commonwealth supported places and student staff ratios were maintained at 20 to 1 over the next 20 years, the cost of enrolment growth alone would be an additional \$6.2 billion per annum. To bring the student staff ratio down to 17:1 would require \$16.7 billion in 2030—a doubling of the current spending per annum of \$8 billion. That is equivalent to an extra \$435 million per annum over 20 years—Bradley's 10% continuing for two decades.

Some 26,000 extra academic staff will be needed to meet this demand, assuming a 17:1 student-staff ratio (20:1 for undergraduate and 15:1 for postgraduate). Additionally some 12,000 retiring staff will need to be replaced over this period, thus bringing the net new teacher requirement to around 38,000. We need to start that production line soon, as it can take from five years to a decade for students to finish their studies and have some professional development for university teaching.

We also need to consider whether it would be cost-effective to accommodate all the future student demand in universities, which tend to have higher cost overheads than other institutional types and alternative supply options.

Around the world there is much richer diversity in tertiary education than we find in Australia. Here we have a predominantly publicly-funded tendency to sameness and an obsession with the protection of titles, whether the name 'university' or the titles of qualifications like 'doctor' and 'master'. It is now necessary to explore the next generation of VET/HE networks, precincts, multi-sector institutions, federated organisations, and amalgamations, including with international open learning alliances.

It looks highly unlikely that the Government alone will be willing and able to fund the expansion of university enrolments without diminishing quality. If students are not to be turned away through a blow out in unmet demand, or if there is not to be a blow-out in student staff ratios, then other sources of income will need to be tapped, students will need to share in meeting the additional costs, and more cost-effective supply options will have to be encouraged.

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Australia has two main policy mechanisms for ameliorating the adverse consequences of increased pricing flexibility:

- a. income contingent loans, which remove up-front financial barriers to access, and spread debt repayment obligations after graduation;
- b. mission-based funding compacts that offer scope in a more flexible pricing policy context for institutionally-customised agreements (e.g. 'needs-blind' admissions), around equity goals and associated provision of institutional support, the maintenance of particular fields of study in areas of low student demand, and performance quality (linked to institutional mission rather than nationally standardised).

The Coalition has a dim view of compacts as "freezing the status quo", but some steering mechanism will be needed for managing a more diversified provision of tertiary education opportunities, and redirecting the aspirations of

newer institutions from wanting to be what they cannot become, to being the best at what they can do.

The nightmare would be a bipartisan consensus on a prescriptive TEQSA biting off the head of anyone who dares rise above the AQF level of neo-Napoleonic nationally mandated consistent learning outcomes. And imagine that in the context of TEQSA monitoring compliance with legislated academic freedom- not merely an oxymoron but an own goal to the philistines—imagine what claims for 'balance' in teaching and research orientations, and staff appointments could emerge. Hopefully, whoever forms government, this intrusive hydra-headed TEQSA will confront a Herculean minister with a sharp axe.

Source: Michael Gallagher, Tertiary Education and university research after the 2010 election, Presentation at CSHE/LH Martin Tertiary Education Policy Seminars, Seminar 4, August 2010

To read the full paper visit: <http://www.go8.edu.au/go8media/go8-leaders-statements>

New Go8 backgrounder

This week the Go8 published its latest policy backgrounder which estimates future student demand for higher education in Australia.

The backgrounder considers the capacity of the university sector to accommodate future growth in student numbers (including staff and facilities), and identifies the costs involved, including for the Government, which has undertaken to fund student demand at the undergraduate level and postgraduate coursework level for programs leading to a first professional qualification.

Key findings of the paper include:

1. In order to meet expected demand for higher education and replace retiring academics Australia will need to produce and/or attract through migration an extra 40,000 full time equivalent tertiary educators over the next 20 years to achieve an improved student staff ratio of 16:1.
2. A continuation of the recent trend growth in degree attainment would see the Government's 40 percent target for the 25-34 group exceeded by 2015. An immigration program more targeted to higher level qualifications and skills, as has been proposed, could even bring that date forward.
3. Overall tertiary education demand will rise by 323,000 students to 2020 and by 644,000 students to 2030. Refer to the graph on page one of this newsletter.

www.go8.edu.au/government-a-business/go8-policy-a-analysis



New International Student Council

A new international student peak body—the Council of International Students Association (CISA) was formally established in July 2010. The Go8 met with newly elected President and ANU law student, Robert Atcheson (pictured), recently. The Go8 has provided some one off funding to CISA to help establish itself as an effective independent voice for international students in Australia.



CONFERENCE DISCOUNTS Student Housing Summit

7–8 September 2010, Melbourne
Tackling issues of growth, supply and demand across the student housing sector. Staff of Go8 universities are eligible for a 10% discount on the registration fee.
www.informa.com.au/studenthousing

Social Inclusion in Education Conference

13–14 September 2010, Sydney
Staff of Go8 universities are eligible for a 10% discount on the registration fee. For the relevant registration form email executive.director@go8.edu.au.
www.informa.com.au/conferences/education/the-2nd-annual-social-inclusion-in-education

Go8-CGS 2010 Global Summit

From 13-15 September 2010 the Go8, with the US Council of Graduate Schools, will co-host the fourth annual Strategic Leaders Global Summit on graduate education in Brisbane. This is the first time the Summit has been held in Australia and it will see an unprecedented number of countries involved, with 43 participants from 16 countries.

The Summit provides a forum for active discussion among international leaders in the field of graduate education.

The theme, 'Measuring Quality in (Post)-Graduate Education and Research Training', will address quantitative and qualitative measurement designed to improve the quality and assess the outcomes of postgraduate education and research.

Leaders in postgraduate education will have the opportunity to formulate measures and benchmarks which transcend national and regional systems.

Journalists are invited to attend a press conference at the close of the Summit at 12.30pm on 15 September 2010 at Customs House, Brisbane.



Customs House, Brisbane

Two new Go8 staff members



Dr Les Rymer joined the Go8 secretariat in August as Policy Advisor, Graduate Education. Les has held senior positions in the Australian and New Zealand public service, most recently as Principal

Adviser to the New Zealand Government on research and innovation. In his new role Les will work primarily with the Go8 Deans of Graduate Studies and will have the responsibility of driving the research training agenda for the Go8.



Mr Mike Teece also joined the Go8 secretariat in August as Director, Policy. Mike comes to the Go8 after a nine year career with the Australian Department of Education. Mike

has worked in the higher education group for the past four years, most recently as Assistant Director of the Performance and Analysis Unit. He has also worked on international education in DEEWR.

Mike will have primary policy responsibility for university financing, performance indicators and structural diversity. He will also have oversight of the group's research and analysis output more broadly.

UPCOMING EVENTS

- Go8 Alumni Directors meet in Sydney on 9 & 10 September
- Go8 Research Office Directors meet in Brisbane on 9 & 10 September
- Go8 Deans of Engineering meet in Canberra on 9 & 10 September
- Go8 Deans of Graduate Studies meet in Brisbane on 13 September (including a joint session with the C9 Deans of Graduate Studies, China)
- Go8-Council of Graduate Studies Strategic Leaders Global Summit in Brisbane on 13-15 September
- Go8 Vice-Chancellors meet in Canberra on 23 September
- Go8 Deputy Vice-Chancellors Research meet in Canberra on 21 & 22 October

ABOUT THIS NEWSLETTER

The *Go8 Update* is published online to keep the Go8 network of committees and staff at Go8 universities informed about the organisation's activities.

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