



COMMONWEALTH OF AUSTRALIA

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## SENATE

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS  
AND EDUCATION REFERENCES COMMITTEE

**Reference: Australia's higher education needs**

MONDAY, 30 APRIL 2001

DARWIN (CITY)

BY AUTHORITY OF THE SENATE

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

**Monday, 30 April 2001**

**Members:** Senator Jacinta 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 Brandis, Carr, Jacinta Collins, Crossin, Stott Despoja 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.

## WITNESSES

|   |            |
|---|------------|
| <b>BROMLEY, Mr Michael William James, Representative and Immediate Past President,<br/>Northern Territory University Postgraduate Students Association.....</b> | <b>240</b> |
| <b>CLARKE, Mr Kenneth Bruce, Under Treasurer, Treasury, Government of the Northern<br/>Territory .....</b>  | <b>273</b> |
| <b>McKAY, Professor Ronald James, Vice-Chancellor, Northern Territory University .....</b>  | <b>254</b> |
| <b>PHILLIPS, Mr Kieran, President, Northern Territory University Students Union .....</b>   | <b>240</b> |
| <b>PLUMMER, Mr Peter James, Chief Executive Officer, Department of Education, Government<br/>of the Northern Territory .....</b>                                | <b>273</b> |
| <b>REDHEAD, Mr Martin David, Treasurer, Northern Territory University Students Union .....</b>  | <b>240</b> |
| <b>SILVESTER, Ms Christine Elizabeth, President, Australian Federation of University Women<br/>(Northern Territory Branch) .....</b>                            | <b>284</b> |
| <b>TOYNE, Mr Peter Howard, Shadow Minister for Education, Northern Territory Labor<br/>Party/Caucus .....</b>   | <b>228</b> |
| <b>WEBB, Associate Professor Charles Joseph, Pro Vice-Chancellor, Higher Education and<br/>Research, Northern Territory University .....</b>                    | <b>254</b> |

**Committee met at 9.08 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 funding from the Commonwealth and from the Higher Education Contribution Scheme.

The committee's inquiry will focus on the capacity of universities to offer high standard undergraduate and postgraduate education, particularly at a time when the academic profession is under increased pressure to handle higher teaching workloads and when the quality and standard 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. The committee 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 be examined, in particular the extent to which universities are maintaining their capacity to conduct basic and independent research, and whether 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 on them. It will also consider the 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 and its members or others necessary for the discharge of parliamentary functions without obstruction and 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 welcome all observers to today's public hearing.

[9.11 a.m.]

**TOYNE, Mr Peter Howard, Shadow Minister for Education, Northern Territory Labor Party/Caucus**

**CHAIR**—Welcome. The committee has before it submission No. 225. Are there any changes you wish to make to that submission?

**Dr Toyne**—No, it stands as is.

**CHAIR**—The committee prefers all evidence to be given in public. But should you wish to give evidence in camera or in private at any time, you may request to do so and the committee will consider such a request. I point out, however, that such evidence may subsequently be made public by an order of the Senate. I now invite you to make a brief opening statement, and we will move to questions after that.

**Dr Toyne**—I sought to give evidence today to make a number of key points regarding higher education in the Northern Territory. We are talking here about 20 per cent of the Australian landmass and one of the most challenging areas in terms of establishing a normal range of social and economic activities that have been going on, obviously, for a lot longer in other parts of Australia. We have a very disperse population. We are on the gateway to South East Asia. We have a very high indigenous population in the Northern Territory. These are all things that make the Northern Territory quite unique, and they make the Northern Territory University and the Batchelor Institute not just simply other regional universities. Both of those institutions are very small. I think Batchelor is the smallest of all of the listed higher education providers in Australia; the NTU is the sixth smallest. So we are very much at the small end of the scale. But, in terms of the significance of those two institutions, that far outweighs any question of size.

The first point I want to make is that there is a special case for ensuring that not only do the NTU and the Batchelor Institute survive but that they actually thrive into the future. I am saying that because for someone who is committed to the future of the Northern Territory in its own right as a jurisdiction, and ultimately as a state, there are many areas of development of the Territory's society, our economy and our relationship to our environment that are absolutely dependent on a very strong input from a higher education system here in the Northern Territory. A few such areas with regard to economic development are: promoting business management practices appropriate to northern Australia and South East Asia; providing scientific knowledge that is needed for business development up here; undertaking economic analysis of our particular region as distinct from other parts of Australia; providing social analysis of northern Australian business, employment training and educational support, particularly in the case of our indigenous population; promoting indigenous participation in the economy; offering effective working partnerships between higher education and business; and developing specialist programs in response to major emerging industries such as defence, gas and oil, aquiculture. They are some of the current ones up here. All of those are economic issues, all of them are critical to the development of the Territory, and all of them need to be dealt with by a specific higher education input that is owned and embedded in the Northern Territory itself.

We also need to look at social development through promoting professional education by adding a northern Australian and a South East Asian context to professional practice, such as the remote health and education initiatives that have been developed in the time that the higher education system has functioned here. Relating law and indigenous law one to the other is a major social issue for the Northern Territory, given the effects of our legal and our enforcement system on indigenous people here. Providing independent analysis and commentary on social issues, law, politics, culture and the arts is absolutely vital to the health of any community, and it is certainly underrepresented here in the Northern Territory as it stands.

Another issue is promoting indigenous entry to the professions. You will see a lot of that. I understand the committee is going to Batchelor this afternoon, and you will see some good examples of course development there. I was involved in developing the teaching, adult education and community management courses at Batchelor. They are unique and they are very much best practice in what they attempt to do, as is some of the indigenous course work done at NTU here.

Another issue is providing research and support in a successful multicultural society. We not only have a very high indigenous population in the Northern Territory, we have a very high ethnic population. The Greek community here is 7,000 people, so they are a very significant group within the Darwin population, as are the Chinese, Filipino and Indonesian groups. We have, I think, a very successful model for multiculturalism here in the Northern Territory. There is very little conflict between the groups that live here. That in itself provides a whole agenda for higher education.

Finally, there is the question of environmental sustainability. In the short history of the Northern Territory, we have had both successes and failures in terms of the impact of European interventions on our environment. It is by no means a pristine environment, although there are large tracts of pristine bush still. But we have significant problems with feral animals and feral plants, and we have significant degradation problems in areas of the Territory, and the capacity to cause further problems such as salinity—the potential for high salinity problems in, for example, the Daly River through to the Ord River expansion. Although we have a low population and a very dispersed population, we have significant environmental responsibilities, and higher education has a vital role to play in that area. Looking across those three areas—social development, economic development and environmental sustainability—it is absolutely vital that we have our own thriving higher education system.

The other point I would like to make from the particular perspective of being a member of the Labor caucus—and certainly aspiring to form part of the Territory government here—is that the government itself has a major responsibility, alongside the Commonwealth government, in sustaining the development of our higher education system. We believe that there are areas of Territory government activity that can very readily be addressed or more strongly addressed to the higher education system here in the Territory. For example, the Territory government currently puts out \$36 million a year in consultancies. A lot of that work goes to interstate firms and in some cases that is appropriate if there is not the expertise here in the Territory. But it is clearly an opportunity for the Northern Territory government to grow the strength and diversity of our higher education system here through preferred tendering arrangements applied to places like NTU and our research centres, and to the Batchelor Institute. I do not believe that it is good enough just simply to say that the Commonwealth government has to address the recent funding

decisions to restore the balance here in higher education. The Northern Territory government has a similar responsibility to discharge, and there are the means to do it within the Territory budget.

I will finish my not so brief remarks by saying that the Commonwealth decisions on the higher education funding and on the research funding have been very destructive. In fact, they have had, you could really say, a disgraceful impact on both the research activities and the general viability of our higher education providers here. It is clear that the funding cuts hit particularly the Northern Territory University at a time when it had got through a pioneering phase of establishing the campus and the courses, and it was at the very time the NT government removed funding it was providing for the early history of this university that the Commonwealth cuts came in. So it was a double whammy, and it has put a huge amount of strain on the university.

Similarly, Batchelor college had a missile barely miss its boiler room—the changes to Abstudy entitlements for students went right to the heart of the Batchelor delivery model, which involves the students being brought in for two-week or longer workshops at campuses spread through the Territory. Without that ability to have students travel, it would be much harder to service the needs of particularly remotely based indigenous students here in the Northern Territory. So there was an arrangement made between Batchelor and the Commonwealth to remove that danger. But it was a near miss, and we could have lost both major providers in terms of their ability to sustain the delivery that they were currently carrying out. I will finish with those remarks.

**CHAIR**—Thank you.

**Senator CARR**—Dr Toyne, thank you very much for your submission; I read it carefully. I wonder whether you could enlarge on a few aspects of it. Your paper argues strenuously for the need for regional autonomy, the need for coordinated higher education systems in the Northern Territory and the need to undertake a reconciliation at this university in order to avert a dysfunctional university. Would you describe the university at the moment as on the brink of being dysfunctional?

**Dr Toyne**—We have lost a lot of key areas. If you take the framework I was providing—that is, is this university, the institute and our research centres capable of maintaining support to the economic, social and environmental issues that the Territory is grappling with as part of its development process—then I think we have lost some key areas. For example, with the imminence of the arrival of the gas industry here, we should not be seeing cutbacks in, say, areas like engineering, industrial psychology or those sorts of areas, which clearly will be needed for the uptake of that particular industry as part of the activities of the work force here in the Northern Territory. Similarly, on the VET side of both the university's and Batchelor's activities, we have seen chronic skill shortages in most of the key trade and professional areas here for many years now. It is like a drag anchor pulling us back all the time from taking on new areas of activity. Any cutbacks, particularly the ones that are focused on our ability to take up activities either economic or other in South East Asia or with our own indigenous population will be detrimental, and I think it will reach the stage where it is no longer functional against the types of inputs that are needed.

**Senator CARR**—The university vice-chancellor in Tasmania said to us on Thursday that the result of the Commonwealth government cutbacks meant that the university could no longer meet the education needs of the state. Do you think a similar description would apply to this Territory?

**Dr Toyne**—Very much so. The issue is really that we have a state-like system. All areas of state government activity are represented in the Legislative Assembly and the Territory government program. Alongside that, you have very small higher education institutes. So it is quite clear that there was always going to be a lot of difficulty in covering the kind of ground that is required for higher education input here in the Northern Territory. Whatever happens nationally as a response to the cutbacks to higher education funding is going to be accentuated here because we have that immediate higher level of challenge in terms of the types of domains of higher education that are being required here and also in terms of the inherent difficulties of delivering higher education course work here, given the distances and the dispersal of the population.

We have an additional problem in that the secondary system here is also struggling to get full functionality. It is estimated by both the Collins report and other studies that have been done, including work I have done myself, that some 12,000 compulsory aged students are not involved in our school system at the moment, and that is clearly going to cut down the supply of suitable graduates coming into the higher education system. It is important that we fix that, and it is clearly the responsibility of both DEET and the Northern Territory government to fix that because, quite apart from issues of rights and equity, we have such large numbers of students at a compulsory school age sitting outside any sort of involvement with our educational system.

**Senator CARR**—You argue in your submission that there has been a reduction in the breadth and depth of educational programs offered by this university. Would you say that the cuts from the Commonwealth government have in fact affected the quality of programs at this university?

**Dr Toyne**—I have certainly heard from quite a good cross-section of students and staff here that not only are we losing areas that can be offered directly subjects to the students and finding that they are now being offered by external studies, but also we are finding that the staff coverage of the students that are on campus is getting thinner in areas. For example, there is one psychology lecturer for 300 students, as I understand, it at the moment. That is clearly going to be detrimental to the quality educational delivery here, but it is an inevitable result of the funding cutbacks. Overlying that is a huge problem with the morale of the students and the staff because that flows straight into the students' perception about the kind of service they are getting. Certainly, the staff gets more and more stretched as the staffing becomes thinner. So overwork becomes a morale problem after a while, and we are seeing that as well.

**Senator CARR**—You talk of the increasing demoralisation of staff, loss of positions, loss of staff entirely, loss of subject choice, the lowering of qualifications of staff, the threatened reduction of postgraduate research places and the reduction in campus services. You go on to say, however, that you think we should be able to attract more overseas students. I wonder whether there may well be a contradiction in that view that says that the panacea to our problems is overseas students and fee paying students when the quality of the programs being offered would appear to be under such heavy attack. It may well be counterproductive to actually encouraging more people to come to this university.

**Dr Toyne**—One thing I have to say is that working on a model of all the operational funds being generated off existing enrolment numbers is not going to get us out of the box here in the Northern Territory. There needs to be a kick-starting of the process again with additional Commonwealth funding, and it also needs to be kick-started from the Northern Territory government domain as well. We are in a cycle that is cycling downwards in that as resources are cut back it limits the ability to attract students. So you are getting this vicious cycle going. We need to break out of that and restore some of the areas, for example, in the humanities, engineering, psychology, and other examples that have come to light, and restore the capacity to deliver those courses so that students, including overseas students, may be attracted. But you are quite right; there are counter tendencies because of the funding situation.

**Senator CARR**—I would have thought it was an inevitable consequence, frankly.

**Dr Toyne**—Yes.

**Senator CARR**—You talk about the Northern Territory government's role in research funding. As I understand it, only a 12th of the \$36 million spent on research and consultancies by the Northern Territory government is directed towards this university and to Batchelor.

**Dr Toyne**—Yes.

**Senator CARR**—How much of the remainder of that money is actually spent on organisations based outside the Territory?

**Dr Toyne**—I would say probably the bulk of it would be. I am not aware of the detail of every consultancy that has come out, although you could get that from the government *Gazette* as they publish the successful tenders. But certainly of the ones I am familiar with in my portfolio areas, a great percentage of them are going interstate or overseas, but mainly to interstate entities.

**Senator CARR**—Your proposal is to have an autonomous higher education system in the Territory. I wonder whether you could enlarge on that. How would that proposal advance education, if we were to separate it from the rest of the education system in this country?

**Dr Toyne**—I would have to say that I believe public debate, either by public servants or by private sector companies that have business with the current Northern Territory government, has been stifled. I believe there is a climate here of people being afraid to speak out and being afraid to offer independent opinion about public issues.

I will give you one example of it. The Neighbourhood Watch organisation published monthly crime statistics. As you probably know, mandatory sentencing is a major issue here in the Northern Territory. It was introduced as a public policy directed at crime prevention. The only statistical information that was reliably put out for the general public to judge the efficacy of that policy was the Neighbourhood Watch statistics. Some 18 months after mandatory sentencing was brought in, we collated all those results into a picture of crime levels, which indicated that there was very little change to the level of property crime in the Northern Territory based on those figures that were generated directly from the police. The moment that was brought into the public debate, those statistics disappeared from the Neighbourhood Watch

publications and they have never reappeared again. That is one example of what tends to happen in the Northern Territory at the moment: there is a stifling of the debate. I think we have to in some way quarantine the ability of the higher education system to offer reason and factual and logical analysis without people getting their heads cut off.

**Senator CARR**—The undermining or the corrosion of academic freedom and the capacity of universities to enter into the public debate is a very serious issue. It is a question we are faced with right across the country now: this repressive atmosphere that is developing within universities. My concern is: how would the establishment of an autonomous higher education system affect that?

**Dr Toyne**—It is about academics being able to feel the freedom to comment freely on public issues, whether they are social issues or scientific analysis of particular proposals, particularly in a case here where we have a lot of fairly large scale proposals for economic development—for example, prawn farming, aquaculture or the gas industry and its potential impact. It is not just simply a matter of resource exploitation; it is also a matter of what that does to the Territory society in its fullest meaning. I think if you have a climate of controlled public debate, we are going to miss critical issues and we will miss a resolution of them within our communities.

**Senator CARR**—I appreciate the need for independent debate; that is a critical function of a university. Isn't the point you are making then a damning criticism of the failure of the administration of this university to protect freedom of speech within the university?

**Dr Toyne**—It is pretty hard to protect freedom of speech when you are under the financial hammer the whole time and when your staff is actually overstretched to the point where they probably could not find the time to make those analyses, let alone go off and make commentary in a broad way. I think it has been very difficult for our two main providers to provide that kind of scrutiny. The research centres that, by contrast, have been funded almost entirely from outside the Territory have generally been more ready to get up and make social commentary. Perhaps there is a lesson in that about what is being attached to the funding arrangements to stifle that kind of debate.

**Senator TIERNEY**—Dr Toyne, I have a particular interest in the impact of universities in regional and rural areas. I would just like you to sketch on the *Hansard* record the impact of the Northern Territory University. I am not just talking about the fact that 6,000 students here are obviously going to buy things locally and that to run a university you need to source local product. I am not talking about that. I take that as a given. I am talking about beyond that: the way in which the academic activity of the university interfaces with the rest of the Northern Territory economy. What do you see as the bright spots in that, and how do you see that potentially assisting the development of the Northern Territory economy?

**Dr Toyne**—I did a trip earlier this year to Aberdeen to have a look at the relationship of higher education providers there to the oil and gas industry. It was very encouraging to be in a meeting with five university chairs that have all been directly endowed off that industry and to see the large number of niche areas that the university was providing and to also hear that the other universities in Scotland had a similar very broad relationship to that particular industry and probably to others as well. To draw parallels here: there are areas of both primary industry and other industrial development here that would clearly be able to form a relationship with our

higher education providers and, as part of that relationship, endow some of the resources that are needed to carry out the activities. So there is that area of potential growth.

Also, nationally and within the Northern Territory, we have a huge task of building the participation of our indigenous people right across the board in education. That in itself should be a growth area if both governments deem it to be important enough to be a growth area. We are seeing too many of the initiatives that are taken here to educate and promote participation in the economy and in other aspects of the community involving our indigenous people failing because of either insufficient resources or an inappropriate approach within the program. I am not the only one saying these things; the Collins report makes quite a major point of those issues in the case of primary and secondary education. I think you could certainly say that the figures say that indigenous people are widely underrepresented in our higher education and professions as well. So that is another potential growth area.

I think I have already mentioned the third one, which is the involvement with consultancy work for governments. I think they would be the three immediate areas that could be used to significantly repair the damage that has been done to the university.

**Senator TIERNEY**—A lot of the universities that are based in rural and regional areas have actually developed their distinct identity based on the particular region—for example, the University of New England has agriculture research, and the Southern Cross University is growing increasingly in that area as well. How would you characterise the Northern Territory University in that sense? Is it developing a distinct regional identity in terms of the sorts of things that it specialises in academically?

**Dr Toyne**—Both NTU and Batchelor have certainly done that. They are quite unique in the activities that they have built up to a level of excellence. Within Batchelor college, you will see some of the best practice in terms of course delivery to indigenous people, particularly with remote living indigenous people. I do not think it is the only model of delivery that should or could be tried. There are other options for Batchelor into the future. But certainly, as it stands, they have consistently serviced a very difficult clientele, given where they are living, the cultural issues involved and the issues of isolation. In terms of NTU, I would certainly point to the cooperative research centres as being an example of not only pioneering work but also unique work that is being done in the Northern Territory. They are one of a kind I think in a lot of the areas they are working in.

**Senator TIERNEY**—What are the areas in cooperative research centres that NTU has?

**Dr Toyne**—Tropical plant protection, sustainable development of tropical savannas, Aboriginal and tropical health, renewable energy, sustainable tourism, water quality and treatment, medical science and technology, and Australian weed management. So there is quite a range.

**Senator TIERNEY**—Given the quite proper concentration on those sorts of activities and the way in which rural and regional universities often specialise like that, how realistic is it to expect a remote university to provide for all the higher education needs of the student population in this area? Would you like to comment on what you see as the role of distance

education, particularly with local students picking up courses from other parts of Australia or elsewhere?

**Dr Toyne**—I think the reality is that the university here and Batchelor have to find specialty areas, niche areas, that they can build up to a centre of excellence, while at the same time maybe giving ground on some of the mainstream coursework that might have to be sourced from elsewhere. I believe that the imperative here to go into open learning methodologies is quite high. I think the Territory, because it has a dispersed population and large distances, will have additional reasons why it is important to move into those kinds of modes of delivery. With the Networking the Nation projects that are currently being worked up and implemented in the Northern Territory, we are expecting anything up to \$75 million worth of digital telecommunication infrastructure to be rolled out in the Northern Territory. That not only creates an opportunity for our own institutions to take up much stronger delivery arrangements, particularly to remote population centres; it also creates the possibility of interstate institutions delivering into the Territory. So it will be a case of managing that process so that we gain more than we lose in terms of growing our own higher education system. You cannot regulate it in any way. It is simply going to have to be a case of providing enough relevant coursework here to attract a high proportion of students from here and perhaps from interstate across Northern Australia.

**Senator TIERNEY**—Given that you are gearing up that way through Networking the Nation and other ways, is this partly the basis for your optimism on the capacity for the Northern Territory to attract overseas fee paying students? I am thinking also here of your closer proximity to Asia. Is that an attraction, of actually not only on campus delivery to students from overseas but also perhaps through distance education? Is that a rapidly expanding area for this university?

**Dr Toyne**—Yes. We have very good reasons to want to use an open learning network within the Northern Territory. Once the methodology and content appear out of the use of that sort of infrastructure, they are fairly readily translatable into delivery of coursework offshore as well as within the Territory itself. So really one would feed off the other. From talking to the IT and telecommunications industry here in the Northern Territory and elsewhere, there is a huge imperative now to develop not only open learning content that is useable through the technologies but also things like telemedicine, community management support packages and so on. So there is a very major opportunity there if there is a sufficient priming of the whole process. It takes quite a major change in the mindset of institutions to go from an on-campus, face-to-face delivery to an open learning delivery. It is not just a case of the technologies; it is a case of the whole approach to the task of delivering courses through those technologies.

**Senator CROSSIN**—Dr Toyne, I have in front of me a series of *Northern Territory News* articles with a banner heading of, ‘\$7 million rescue package for the NTU’; it is money which was provided to the Northern Territory University last year by the Northern Territory government. During that time, you said that the money would be wasted unless steps were taken to ensure the university’s long-term viability. Why is that important, and how is that possible under the current federal government’s funding policy regime?

**Dr Toyne**—I think that money is being put in over three years, and my estimate of the loss of the funding base due to the changes in the federal policies would probably be three or four times

that amount of money that has impacted on the NTU alone. I believe we need more substantial support than that. That arrangement was made as a transfer of land back to the Northern Territory government in return for the money put in. So it was more of a trade of assets than a commitment by the Northern Territory government to a higher level of support for higher education. I think our government certainly has to look at building higher education activity into every aspect of its program so that you can release substantially more money than has been provided to date. I would estimate you would be wanting to look at \$8 million to \$10 million a year of additional funding from the Northern Territory level as well as the restoration of some of the Commonwealth funding base.

**Senator CROSSIN**—We were provided in Tasmania last week with a partnerships agreement that had been signed by the University of Tasmania and the Tasmanian government. Does such an agreement exist here in the Northern Territory?

**Dr Toyne**—I am not party to it. I would not be able to answer that.

**Senator CROSSIN**—It was certainly launched with great public fanfare there. I assume that, if we knew about it, it would be made public.

**Dr Toyne**—I must have been out bush.

**Senator CROSSIN**—You put out a media release last week and you have made comments this morning about the lack of lecturers in engineering as an example of deficiencies in terms of what will be needed in the future for industries in the Northern Territory. Do you believe that the Northern Territory University is well placed to be able to meet skill deficiencies of a future workforce in the Territory?

**Dr Toyne**—It could be if there was a proactive planning process that gave enough lead time. We have the current example of the railway project where we have known, and the Northern Territory government has certainly known, that a railway deal would be very likely to be signed at this stage. There was also a very clear picture of the skill profile that the Northern Territory workforce would have to possess if they were to be fully involved in the construction or operational phase of the railway. The fact is that not only have we not produced those more skilled people and we will now probably end up with a relatively small number of jobs at the lower end of the skill, and therefore wages, spectrum in that project; but also we will see, as we have seen in previous developments in the Territory, an importation of skilled people from elsewhere in the country. That might sound very sensible—you get your workers from wherever you can find the skills you need—but in terms of the social effects on the Northern Territory community, it creates this revolving door population so you do not get a consolidation of the same children going to school, the same people working in our economic areas. So there is just constant loss or turnover of both the skills and the corporate memory or social memory of the population here. It is not very good for the Territory at all.

**Senator CROSSIN**—So you are suggesting that the \$7 million from the Northern Territory government was basically a trade of assets?

**Dr Toyne**—It was a trade against the Tiwi primary school site.

**Senator CROSSIN**—Is there a lack of a partnership between the Northern Territory government and the NT University?

**Dr Toyne**—I was talking about that mindset earlier. I think as long as the government sees itself as being separate to the higher education system rather than integrating the two areas of activity so that a government decision is automatically informed by higher education input—whether scientific advice, social analysis or some other type of input—and until that becomes automatic to the way the government goes about its business, we are not going to see the full flowering of that relationship. It has to be very much across the board and automatic.

**Senator STOTT DESPOJA**—Dr Toyne, a theme of your submission is clearly autonomy. I acknowledge the points that Senator Carr has made in relation to academic freedom, but I am particularly curious as to whether or not, when you talk about the need for an autonomous higher education institution, you are aware of plans to disestablish the NTU or revert to a satellite arrangement. I am aware of the historical linkages with UQ, but is there anything like that that you are concerned about in particular?

**Dr Toyne**—No, only the increasing areas of coursework that have been drawn through open learning arrangements. Really, looking at that from the point of view of quite a large number of students I have talked to, there is a limit. If you are enrolling in a particular university, you still need to sit at the feet of a teacher for at least some significant part of your course and not simply have it as a clearinghouse for external materials that are going to and fro from some other campus. I think that is my main concern at the moment: that we maintain living, breathing academics here that can actually teach students in the traditional way. It is probably even more significant if we do go into our own developments of open learning delivery from NTU or Batchelor because, in my experience of pioneering that sort of work, you are actually far more dependent on your relationship with a lecturer or tutor than you would be if you were seeing each other on campus day by day. In other words, the lecturer has to be both very skilled in the methodology and also very consistent in being there for students to feel that they are actually part of a real process.

**Senator STOTT DESPOJA**—Speaking of living, breathing academics, you refer to a loss of research and teaching expertise, particularly in the humanities. I wonder whether you have statistics or information as to the extent of that loss and whether you can say how it compares, for example, with business courses.

**Dr Toyne**—I think you would have to get that from the university administration. I have not got those figures with me, although I do have figures to hand. The university clearly, because of the financial pressures on it, has had to rationalise its activities to areas where there is a viable number of students available to sustain the course or to areas where you can get endowments from an industry group, for example, that may want that course offered. So the decisions made about what subjects stay and what subjects go are not necessarily in the interests of the development of the Northern Territory as a whole. They are certainly rational in terms of maintaining as low a profile as possible to the financial strains, but they are not necessarily going to serve the Territory as a whole. I think there is a place for government to come in and say, 'Well, look, we do need these.' I think the humanities areas—probably in the Territory as much as anywhere, if not more—are critical areas to have in the higher education system because we have got issues that apply to, say, the relationship of indigenous Territorians to the

rest of the population, and we have social issues where you need social analysis and social research. They are the areas that will not necessarily attract students in sufficient numbers to maintain the subjects. But as to the detail of what subjects have gone, it would be better to ask the university itself.

**Senator STOTT DESPOJA**—Would you maintain that there has been a more deleterious impact, say, in the humanities in relation to research and teaching expertise as opposed to other areas?

**Dr Toyne**—The process here has been an ongoing process of review area by area. I am aware of cuts in pretty well all areas of the university. All I am saying is that there are critical areas in the humanities that I think deserve particular attention not only by the NTU but by government.

**Senator STOTT DESPOJA**—In relation to the \$36 million worth of consultancy funding that the Northern Territory government has given, I understand from your submission that a 12th of that is spent in relation to the universities. Is this decline relative, say, to the 1996 disbursement? How do you account for that small amount of money being given to the universities? Is it related to funding cutbacks and, say, universities are not necessarily in the same position to compete as a result of staffing cutbacks or funding decline?

**Dr Toyne**—I think it is probably more related in terms of the disbursement of those consultancies by the NT government as part of its overall approach to outsourcing government activity. In the passage of those sorts of outsourcing arrangements—whether it is in IT, technical areas or whatever—there is now a culture of looking for the expertise outside the government system and, unfortunately, one of the places they are not looking to in increasing amounts is our own higher education system. I think it is probably because of the types of relationships that exist between the Northern Territory government and particular corporations, where a relationship will appear in one area of work and be transferred across to another. KPMG are an example to hand. They are doing the review on the university, but they have also done reviews on special education and other areas of government activities. So it seems to be coming quite a broad relationship, which I would argue should be replaced with a relationship to our own higher education providers.

**Senator STOTT DESPOJA**—In section 5 of your submission, when you talk about relations with staff, students and administration, you talk about increasing strain among those groups. How is that manifesting itself?

**Dr Toyne**—Student rallies, protest meetings on campus, letters to the editor, letters to us. There is no doubt there is still heat in the process here. There will always be heat here as long as the reviews have to go on to cutting back areas of activity. There are many cases of students starting a course assuming that over a period of three years they will have a certain sequence of subjects to do to get them where they have to be, but then they get halfway through the course and find that the subjects they were depending on doing in later years have disappeared or have to be done externally. So students have enrolled here on the reputation of lecturers who are no longer here when they arrive, and they then find that they are not really very happy with the coursework. So it is really at that very personal level. We can understand why it is happening, but when you are getting down to someone investing three or four years of their life in their

higher education training, I think they deserve more certainty than is able to be offered at the moment.

**Senator STOTT DESPOJA**—Indeed. You have just mentioned the word ‘reputation’. That relates also to section 4 of your submission: the reputation of our graduates and researchers. I agree with everything you say about the need for people to have not only consistency but sustained excellence. Are you concerned that the reputation of degrees, graduates or the courses is under threat? Are you receiving complaints? Are people angry?

**Dr Toyne**—Yes, there is anger. In my particular role of being asked to comment on the affairs of the university and higher education as a whole, it is always a very difficult balancing act, because the moment you start talking about problems that are being experienced, you obviously run the risk of talking down the whole place and damaging the reputation of the university. So what do you do? Do you say, ‘Don’t mention the war’—and we are seeing all of these key positions being taken out of the universities, some of the people on whom the university’s emerging reputation was riding—or do you speak up about the issues? I think the only thing that would vindicate the act of speaking up about this is the reparation of what is wrong. If we can restore the funding base and get the university back in a secure position so that Ron McKay and everyone do not have to continue these debilitating views, then perhaps a bit of heartache in the short term would be worth it. There is no doubt that it would be a misuse of my position if I were not speaking up when I am having students and staff coming to me saying, ‘We’re really angry or concerned about matters.’ I just hope we get this sorted out.

**Senator STOTT DESPOJA**—Thank you for putting that on the record. I think often people who appear before this committee get attacked for talking negatively because they might risk reputations of the institutions as a whole or particular institutions, so I think it was worthy of you to put it on record.

**CHAIR**—Thank you, Dr Toyne. That concludes our questions.

[10.03 a.m.]

**BROMLEY, Mr Michael William James, Representative and Immediate Past President, Northern Territory University Postgraduate Students Association**

**PHILLIPS, Mr Kieran, President, Northern Territory University Students Union**

**REDHEAD, Mr Martin David, Treasurer, Northern Territory University Students Union**

**CHAIR**—Welcome. The committee has before it submissions Nos. 218 and 143. Are there any changes you wish to make to them?

**Mr Bromley**—No.

**Mr Phillips**—No.

**CHAIR**—The committee prefers all evidence to be given in public but will consider a request for all or part of evidence to be given in camera. I point out, however, that such evidence may subsequently be made public by an order of the Senate. I now invite you to make a brief opening statement, and we will move to questions after that.

**Mr Phillips**—Our submission is basically concerned to highlight the need for the federal government to fund small and regional universities adequately and appropriately—in particular the Northern Territory University, which has suffered greatly from recent funding cuts to operating grants. Specifically, we are interested in promoting a prioritisation of small and regional universities within Australian higher education policy. This, in effect, is an inversion of the trend of federal governments to support the big universities getting bigger and instead supports the small and regional universities to get better.

Peter Toyne, before us, highlighted a number of regional opportunities and needs unique to the Northern Territory. This regional specificity is the very best reason for focusing on small regional universities, which by their very nature are the best placed locationally and institutionally to maximise returns on the investments in these opportunities and needs.

**CHAIR**—Do you have any additional comments to your submission, Mr Bromley?

**Mr Bromley**—My submission can be taken as it stands.

**Senator CROSSIN**—Mr Phillips, in your submission you refer to the weakness of secondary education as a factor that might be restricting higher education development here in the Northern Territory. Can you give us some views about why you believe that is the case?

**Mr Phillips**—Not long ago the Collins report was submitted. A lot of the recommendations from that report have not been implemented or looked at at all.

**Senator CROSSIN**—Mr Bromley, I think you also mentioned that the postgraduates submission also refers to the link between secondary education here in the Territory and higher education.

**Mr Bromley**—My submission was interested in having an across-university healthy system—that is, good strong undergraduate system and a good strong postgraduate system. The feeder mechanisms would generate better teachers back into our secondary systems.

**Senator CROSSIN**—Mr Phillips, you talked about the outcomes of the Bob Collins review not being implemented. You might need to expand on that for other members of the committee in terms of whose responsibility it would be to put those recommendations into place.

**Mr Phillips**—I think the Northern Territory University is ideally placed to be not only a leader in Australia but a leader in the world in studies in indigenous culture. It is ideally placed to feed the indigenous people of Australia into the higher education system. At the moment that is not being done. A lot of the recommendations of the Collins report, if implemented by the Northern Territory government, could see a great outcome for the Northern Territory and the nation in that they would encourage indigenous potential students through the higher education system, with benefits flowing on through that into the Aboriginal communities themselves.

**Senator CROSSIN**—You mention in your submission that you believe—and this is a quote from your submission on page 23:

The current Howard Liberal government's economic model for investing in small and regional universities is inherently compromised and weak.

In what way has that translated into difficulties for students at the Northern Territory University?

**Mr Phillips**—I think the point to be made here is the fact that, since the funding cuts in 1996, we have seen absolute decimation of the capacity of this university to offer not only diverse outcomes but also quality outcomes. A few examples come to mind: we no longer teach English literature at this university, we no longer have philosophy at this university, and anthropology has been gutted.

A lot of the debate we hear is that the humanities have been the focus of the cuts. Here the decimation has been right across the board. In economics, we have lost four or five lecturers. Engineering students have come to me and said to me that they are waiting to finish their degrees, but they cannot. The only unit they have left is one that is offered only every two years. Right across the board we have seen a loss of diversity and a loss of quality.

**Senator CROSSIN**—You gave us some examples in your submission of a number of students who had started on a course but then, because of the rationalisation processes the university has gone through, are no longer able to complete the course or it has to be done by distance education mode. In what way does the Commonwealth government have a responsibility to ensure that this kind of action does not impact on students' education?

**Mr Phillips**—The important thing to note here is that a lot of people who attend small and regional universities do not necessarily do so by choice but because they do not have any other option. There are financial impediments and family commitments. It is a responsibility of the federal government to provide that broad range education so that people having to stay in a certain region for whatever reasons can access a broad education and a quality education.

**Senator CROSSIN**—My last question is addressed to either the postgraduate students association or the students union. What other services do students have to forgo as a result of the cuts from the Commonwealth's funding?

**Mr Bromley**—From my experience, the cuts have manifested themselves to the point where the lecturers are actually recommending that students go interstate to complete their degrees. The NTU is currently able to maintain a reasonable number of first-year units but, as you progress through the degree, obviously the specialisation and the class sizes and the pressure on teaching loads become more and more. NTU is trying to develop feeder arrangements into other universities. The problem, however, is that we start losing that expertise out of the Northern Territory itself. That has long range implications. We are not talking about political cycles of three years here; we are talking about 20 and 30 years down the track. We will not have the expertise because this university, which has a great chance and a great opportunity to actually provide good educational access to a large amount of Australia, is not able to do that.

**Senator CROSSIN**—Mr Phillips or Mr Redhead, specifically were there other services available to students, say, five or six years ago that are no longer available other than in the academic arena?

**Mr Redhead**—We need a decent library and decent food on campus at a decent price. It is not just a matter of a particular service being available now or then; it is a matter of looking at the overall picture. From Dr Toyne's opening presentation, from the postgraduates association submission, from the students union's submission and from the submission you have received from the NTU, all the arrows are pointing in one direction—that is, this university seriously needs appropriate and adequate funding, which it is not getting it at the moment.

**Senator CROSSIN**—So we are talking about a library not being resourced. Are there also counsellors—

**Mr Redhead**—Computers are not available for computer based units. Lecturers are not available to teach courses advertised. Textbooks are not available in the bookshop. We have only 40 minutes today. Quite honestly, we could take a lot longer than that if we wished to go through this.

**Senator CROSSIN**—I understand that. We need to get some examples from you for the purposes of *Hansard*. I am trying to build a picture not only of the cuts in academic areas and rationalisation in courses but of how affected students are on this campus.

**Mr Phillips**—You can look at ways in which the university tries to increase revenue because they are under such awesome pressure to provide services with increasingly dwindling funding. There is fee for car parking. It does not sound like a lot but, when people are struggling just to meet the day-to-day needs of studying; it is a big deal. There have been increases to library

finest, and a fine regime has been implemented at North Flinders House for petty offences. It all builds up into the bigger picture.

**Mr Redhead**—As Dr Toyne pointed out, we are not interested in castigating the university or in further damaging the reputation of the university, which is crucial to the development of the Northern Territory and to this nation. We are not particularly interested in slinging mud at the university. We are interested in seeking innovative and effective solutions to the issues that I am sure the entire committee is aware of.

**Senator CROSSIN**—So your evidence today is that the university has taken the actions that it has been forced to take because of the lack of innovation, support or funding from Commonwealth government?

**Mr Redhead**—Absolutely.

**Senator BRANDIS**—Is the Commonwealth government to blame because you cannot get the textbooks you want from the bookshop or because the fines from the library have gone up for people who do not return the books in time?

**Mr Phillips**—Overall funding cuts place unrealistic pressures on the administration of this university. It is a credit to the management of this university and to the lecturing staff that we have a university that is even semi-functioning at the moment.

**Senator BRANDIS**—I am aware of your submission; I have read it. But it seems to me that, when invited to give some examples, you give examples that, if I may say so with respect, seem almost trivial. Let us concentrate on an example you gave, Mr Redhead. Is it the Commonwealth government's fault that the university bookshop has not ordered the textbooks that you want?

**Mr Redhead**—Senator Brandis, you would understand the term 'fraudulent misrepresentation'. Is that a trivial term or problem? You talk about textbooks not being available at a bookshop. You focus on some of what you would call trivial issues and you ask whether they are—

**Senator BRANDIS**—I am not saying that they are intrinsically trivial in themselves, but it trivialises the gravamen of your submission to say that every one of those problems is the fault of the Commonwealth government. True and honest.

**Mr Redhead**—True and honest? Your second example was students who return textbooks late to the library. Do you make that comment seriously?

**Senator BRANDIS**—The example of library fines going up was an example given by Mr Phillips. Do you seriously say that is the Commonwealth government's fault?

**Mr Phillips**—They are looking at any source of revenue that they can possibly gain anywhere along the line. They are so starved of funds that their ability to deliver quality outcomes is not there. They are looking to get funding from any source whatsoever, and that is one of the mechanisms that they have chosen.

**Senator BRANDIS**—I am sure that is not a very large part of the university budget.

**Mr Redhead**—It is not a very large university, Senator.

**Senator BRANDIS**—Rather than rhetoric, let us move on to some constructive solutions. You said that you were here to do that. I take you to page 21 of your submission. The comments that I am interested in commence about halfway down that page, where you say:

Private funding and market behaviour should be playing a role in Australia's education, training and research needs. Every private interest pursuing private profit in a major project supported by an Australian government should be financially contributing to appropriate education training and research.

Let me pause to say that, personally, I entirely agree with you about that? You go on to say:

Nevertheless private funding and market behaviour can contribute only a fraction of the necessary higher education funding strategic planning and priority identification.

My comment to you—and, Mr Bromley, you may want to come in on this even though it is not your submission I have been reading from—is that you must have a view as to what an appropriate fraction or proportion in a university's budget of private funding is, even if it is only a rough notion. What do you say, each of you, in terms of ideal policy is an appropriate fraction of private funding?

**Mr Redhead**—I think the move towards centralisation, which is evidenced by the support that the sandstone universities get in this country. The strong centralist formulae approach to education, higher education and research and training indicates the problem that I have with the question that you have just asked. It is not a matter of our sitting here and shooting from the hip and suggesting that this or that is an appropriate level.

**Senator BRANDIS**—I am asking you to do that.

**CHAIR**—The witness has not finished his answer.

**Mr Redhead**—The whole point is that, sitting in Canberra or Sydney or Melbourne, we have no idea of what is needed or what is an appropriate amount of funding that industry should be contributing to education, to research and training, to a railway or a fisheries project or any such thing. It is a case-by-case matter. It is a regionally focused specific and unique opportunity or need that we are talking about. It is not something that I would sit here and say it should be 20 per cent or 10 per cent. I would not. What is needed is the capacity to look at the issue—to look at the project and the economic endeavour and, on a case-by-case regionally focused, regionally informed manner, make an intelligent and mutually beneficial agreement between the parties concerned.

**Senator BRANDIS**—Mr Phillips, are you able to offer a view, although it would be only a rough proportion, as to what in an ideal world the proportion of public sector obligation to contribute to university funding ought to be?

**Mr Phillips**—Once again I do not think it serves any purpose for me to say it should be 10 per cent or 15 per cent or whatever. What I think should be noted are the differing abilities of

universities, depending on where they are located, to attract private investment. The size of Darwin means that we will never have a huge public investment in this university and, as such, government policy should recognise that fact and fund this university appropriately.

**Senator BRANDIS**—Does it follow from what you have just told me that a limit of government funding should be the extent to which private funding is unavailable?

**Mr Phillips**—I think the government has a responsibility to every person living in the Northern Territory to provide adequate funding so that the university—which they attend because they have no other option—provides them with a diverse range of options and also gives the institution flexibility to maximise the investments that the government has made. We have cut out English and philosophy, we have decimated anthropology, engineering and economics and, as such, we have reduced the flexibility that this institution has to take advantage of the specific regional advantages that we have. As such, the investment that the government is making in this institution is not providing the maximum returns that it should.

**Senator BRANDIS**—Mr Bromley, do you have a view as to what, ideally, would be an appropriate proportion to expect the private sector to fund universities? Or, like Mr Phillips and Mr Redhead, do you say that that is a question that cannot be answered?

**Mr Bromley**—I do not think it is a question that cannot be answered, but the answer I would give to the question is that federal government funding should be such that it supports a broad range of education at this university. If private companies wish to top that up in the belief that it is in their best interests, either locally or for Australia's future, to invest in higher education, that should be fully supported as well. However I believe that the government should be funding most of it.

**Senator BRANDIS**—I ask each of you to respond to this. Do you believe that the amount of private sector investment in this university at the moment is high enough, or should it be greater?

**Mr Redhead**—Chair, I raise a point of order: I am concerned that this is in *Hansard* and it is a misrepresentation of my answer. I suspect, from what I heard Mr Phillips say, it is a misrepresentation of his answer. We did not say that that was a question that could not be answered. It is a question that we will not answer sitting here. It is a question that can be answered.

**Senator BRANDIS**—So it can be answered, but you will not answer it?

**Mr Redhead**—If you want to pay me a lot more money than I can get on HECS at the moment, I would be happy to sit down for six months with you and work on that.

**Senator BRANDIS**—Let us come back to the question I have just put to each of you—

**Mr Redhead**—I am concerned that that misrepresentation is noted in *Hansard*.

**CHAIR**—Yes.

**Mr Redhead**—Thank you.

**Senator BRANDIS**—Let us come back to the question I have just put to each of you: do you consider that the level of private investment in this university at the moment is high enough, or do you think that the private sector ought to be contributing more to this university? What do you say, Mr Bromley?

**Mr Bromley**—In some ways I think the question is irrelevant.

**Senator BRANDIS**—It is not irrelevant to me, you see, and I am one of the people inquiring.

**CHAIR**—Senator Brandis, please let the witness conclude his answer to you, and then respond.

**Senator BRANDIS**—I am asking you these questions because they are relevant to me, and I am interested in hearing your views.

**Mr Bromley**—I would like to reiterate what Kieran said: we have a very small industrial base up here. Whilst the university is small, the actual amount of money that the university requires to provide the broad range of education is never going to be matched at all by industry up here. So, with the emphasis on industry or external funding sources, it is very, very difficult for the university to attract that and, thus, the funding should definitely come directly from the government.

**Senator BRANDIS**—I am not disputing any of that, but I am asking you whether at the moment you consider that the private sector is fulfilling its obligation to invest in this university or whether it should be contributing more. I am asking this question in view of the observations that I read a moment ago from the union's submission. Do you think it should be contributing more, Mr Bromley?

**Mr Bromley**—I do not think it should be contributing more. I believe that, if there is capacity for industry to contribute more, it should. However, for industry to step in and match shortfalls in federal government funding I think is inappropriate.

**Senator BRANDIS**—No, I was not putting that to you. I was merely asking in global terms whether you think industry should be contributing more. Mr Phillips, what do you think?

**Mr Phillips**—Once again I believe that the question is pretty irrelevant for the purposes of this inquiry. While not having the exact figures of what the percentage break-up of public investment and private investment is in this university, it would be great to see industry, including local industry, supporting the university by way of grants. I might just say that the capacity of a lot of smaller local industries to have money to hand over to places like the university has been curtailed by the goods and services tax.

**Senator BRANDIS**—I am not quite sure whether that was a yes or a no, whether you think the private sector should be contributing more or whether you do not.

**Mr Phillips**—That is a matter for private industry to decide.

**Senator BRANDIS**—It is not really. If you accept that private industry has a moral obligation to contribute to what are primarily public activities of which it is a beneficiary, it is a moral question too. It is not just a question for private industry to decide in a vacuum, according to its own balance sheet. Do you agree with that, or do you stick with your answer that it is purely a matter for private industry?

**Mr Phillips**—There are a number of incentives that can be given to private industry to encourage them to invest in universities. One of them is where a university is adequately funded in the first place, and private industry sees that that is producing a number of graduates commensurate with that they think they should be getting out of that university. I have talked to a number of local businessmen in the IT industry. They tell me that they are very reluctant to hire people from the Northern Territory University; because the quality of the degree has declined so much in the last five years, they look elsewhere. If we want them to invest in universities, surely it is the responsibility of government to adequately fund those universities to provide the outcomes that will be beneficial to those industries.

**Senator BRANDIS**—Mr Redhead, do you think that private industry has a moral obligation to contribute to public universities of whose research it is a beneficiary?

**Mr Redhead**—I am currently a student of law, so I am not really qualified to speak on moral—

**Senator BRANDIS**—I am asking you really an ethical and philosophical question.

**Mr Redhead**—Having studied some ethics in a previous incarnation as an arts student, I think that is a very big question. However, again given the constraints of the time we have together today, I am probably not able to answer it.

**Senator BRANDIS**—I just want to know your opinion on whether you think private industry has a moral obligation to contribute to public institutions where it is a beneficiary of their work.

**Mr Redhead**—Senator, in responding to that question, I note that you quote selectively from the student union submission.

**Senator BRANDIS**—I just want to know your opinion; that is all.

**Mr Redhead**—In fact, regarding those questions about the level and role of industry contributions to higher education, we do deal with that issue in our submission.

**Senator BRANDIS**—Yes, I have read your submission. But I just want to know your opinion about the moral obligations of the private sector. When it is a beneficiary of the work of public institutions, does it have a moral obligation to contribute, in your opinion?

**Mr Redhead**—Sorry, the moral obligation of the federal government to adequately and sufficiently fund small and regional universities?

**Senator BRANDIS**—No. I am asking you whether you believe that the private sector has a moral obligation to contribute to public institutions where it is a beneficiary of their work. Do you believe that or do you not?

**Mr Redhead**—I am not qualified to speak on moral questions, I am sorry, Senator.

**Senator STOTT DESPOJA**—I would like to address some of the issues in the submission. Starting with your postgraduate submission, Mr Bromley, I am curious about your comment:

At what point below raw financial viability ... do social and cultural considerations maintain the need for these subjects to be offered locally in the NT? It is to that minimum point that planning and finance must be targeted.

Are you able to elaborate on that? Perhaps you could expand on what a minimum point would be, how you determine that and how we might think about such minima.

**Mr Bromley**—The first point is that all the formulas are EFTSU driven. Being a regional university, the Northern Territory University receives compensation of around 20 per cent—although it is slightly less than that. However, because of its isolation, in some areas you are never going to attract enough students to make it financially viable in terms of EFTSU to run those courses. But the social consideration is that we still need these people locally, and we need a broad range of education up here in terms of that. As for how you would go about specifically doing that, obviously in some areas you would increase. For example, you could identify areas within the university that are not able to be run financially—for example, English, philosophy or physics and various sorts of key areas which the university can identify it will never attract enough students to in terms of a raw EFTSU funding model—and further compensation could be given for those subjects to enable them still to be maintained locally and we could still have graduates coming out of this university being well educated in these areas.

**Senator STOTT DESPOJA**—Thank you for that. Mr Phillips, can you tell me about these compulsory common units to which you refer in your submission? I note that you talk about the NTU administration putting in place compulsory common units. You claim they are utterly inadequate; why?

**Mr Phillips**—I will give just a bit of a background. After the funding cuts, we lost things like English and philosophy. As a reaction to that I think—it is a few years ago now—these common units were implemented. They seek to offer a broad background education and, as such, fill in the gaps in a lot of areas where the university does not have the funding to teach. It a very attractive model for the NTU in that, because they are compulsory, everyone must do them. It is the high EFTSU ratio. Basically, I have talked to a lot of people who have done the common units. Not only do they think it is a silly idea that they have to do them in the first place, but what they get out of them is equivalent to year-11 and year-12 stuff.

**Senator STOTT DESPOJA**—So students generally do not like them?

**Mr Phillips**—They are angry at the fact that they come to university wanting to pursue certain interests but that, say, an engineering student may be forced to do ‘Reading and writing: the world of ideas’.

**Senator STOTT DESPOJA**—You have cited some appalling examples of students being seriously short-changed by the university. You have course offerings, like psychology or, for example, changes to course names—and the example you have used in particular is that of computer science/IT. I want to go through the example you cite on pages 10 and 11, and that is the Bachelor of Computer Studies. I wonder whether you could outline the processes that led to that decision. For example, did it go to the academic board, to the university council? Perhaps you could run through some of those issues, and also tell us how the student union reacted in relation to case study one: the student's view of the Bachelor of Computer Science.

**Mr Phillips**—That was quite a while ago, so I do not think I am qualified to answer that question.

**Senator STOTT DESPOJA**—We have it on record to some degree in the submission. Is anyone in a position to comment on perhaps the student union's role in that case?

**Mr Redhead**—I think Ron McKay is probably the best person to talk to about that.

**Senator STOTT DESPOJA**—I will go straight to the top then, thank you. I am wondering about recourse to positions such as the Ombudsman and things like that. Mr Bromley, from the postgraduate perspective, do you have a view on that particular case that is in the student union's submission?

**Mr Bromley**—No, I would not like to comment on that, thanks.

**Senator STOTT DESPOJA**—I note that it is common practice for some universities to advertise in their publications or their student manual whether or not a course will finish or be unavailable. I am not sure whether that is the case in the NTU, but I am wondering what information has been made available to students that their course may be changing or not continuing. I ask that question of either student group.

**Mr Phillips**—I think the case is that courses that have not been offered for a long time still sit on the web site. So, when a student in America or a student in South Australia accesses the web site and they see those course offerings, they automatically make the fair assumption that when they come to NTU they will be able to enrol in them. Sadly, that is not the case.

**Mr Bromley**—In addition to that, not only are they of the mistaken belief that they can enrol in them but also they are enrolled in them in some cases by university staff. So that is concerning.

**Senator STOTT DESPOJA**—Is there a proviso at your institution, for example, that if there are not enough numbers to make up a particular course, students are advised of that in the beginning—'If we do not get enough numbers to run this course, you will be advised that this will not be happening'?

**Mr Redhead**—We at the students union daily receive students who have problems that they need help with regarding what the university's policy is vis-a-vis disclaimers and such like. We can only tell you what we deal with daily—and that is students whose futures have been jeopardised and who feel that they have been extremely poorly dealt with by the university. I

think what the university's safeguards and mechanisms are for dealing with those things is a question for the university. It might be germane to note that on many occasions we have had some difficulty in dealing with these issues.

Again, I think that the main issue here is not the mechanisms involved but the core of the problem. As each specific example comes up, we can go through and list, 'Look, here's a detail here, here's another detail there.' When you look at this as an overall picture, you can understand that we are very reluctant to get into dealing with specific details and specific examples. Surely we have cited enough in this one submission to attract the attention of this committee to the problems and to the overall sort of picture of what students are looking at here. We are really interested in talking about how we could improve the situation here. People are tied here; their reputation depends on this university doing well. We need to be looking at how we can do well as a university.

**Senator STOTT DESPOJA**—Perhaps I can ask this of Mr Bromley and Mr Phillips in relation to fees and charges: we heard from Dr Toyne earlier about the potentially deleterious impact of the Abstudy changes that were implemented by this government in 1996-97. I wonder whether your union and postgraduate association have a view on fees and charges and the impact that they may have had, particularly in a regional and remote area.

**Mr Phillips**—The first point I would make is that it is significantly more expensive to study somewhere in Darwin than elsewhere. Like you state, the changes to Austudy and youth allowance: I cannot cite figures that say that that has had a negative impact. But, from my dealings with students who have come in, they are increasingly finding it harder to make ends meet. There are a number of other factors that impact on top of that, such as Darwin having the most expensive goods and services in the country basically. Also, as you well know, the introduction of the GST has added another burden to those students. A lot of people have given up trying to study, because of the inadequacy of income support measures.

**Senator STOTT DESPOJA**—Mr Bromley?

**Mr Bromley**—That is an undergraduate issue in some ways. However, do you want to direct that towards the postgraduate issues?

**Senator STOTT DESPOJA**—Would you like to make a comment on the recent innovation statement that talked about HECS places and postgraduate students, or perhaps on the inadequacy of access to income support for postgraduates in particular who have been fighting for years to get decent access to common youth allowance, for example, and Austudy?

**Mr Bromley**—Certainly. The increasing political emphasis on looking at the postgraduate education loans scheme I think is a positive move. However, it should be tempered to make sure that the fees for the courses postgraduate-wise are not increasing. Then there is the obvious pressure: if a student is paying more money for a course, do they expect higher quality, or is the quality going to be the same?

**Senator CARR**—Mr Phillips, I understood you to say before that the quality of education at this university has declined over the last five years. Is that correct?

**Mr Phillips**—Yes, it is. With the funding cuts that have been in place since 1996, we have seen basically what we term ‘the theory of more with less until we do everything with nothing’. It is placing unreal demands not only on the resources that are provided, but also we have a big issue with the unrealistic demands being placed on the staff which make it almost impossible for them to fulfil their role as quality educators in our system.

**Senator CARR**—You talk of the Bachelor of Science program having been changed. You speak of the quality standards identified by the Australian Association of Social Workers having meant that the program here is not fully accredited. You say that misleading advertisements are placed in regard to the workloads and programs actually being offered. For instance, you say that in Business Office Administration and IT the ratio of students to computers is four to one, that software is outdated and that classes start without lecturers and recommended textbooks. How do you judge then the quality assurance regime within this university if these things have been allowed to develop?

**Mr Phillips**—Once again, it is a credit to the management of this university that we even have a semi-functioning university at all. The capacity of this university to absorb funding cuts is at its limit. We are haemorrhaging. Basically, we were teetering on the edge when the cuts happened, and they have just slammed us into the chasm.

**Senator CARR**—Do you think that the shortcomings in the coursework and the teaching actually jeopardise the capacity of the university to deliver appropriate qualifications and educational experience?

**Mr Phillips**—Yes. With the situation generally with the NTU, we find it very hard to attract and retain appropriately qualified staff. This occurs not only because of the reputation of our suffering from the cuts but, with the loss of a lot of the staff—and there are often only one or two in the Territory who are actually qualified to deliver that course content—inevitably the reputation of the course is jeopardised when those leading teachers leave.

**Senator CARR**—I must say to you that I want to commend you on your submission; essentially it is a number of submissions within one. The inclusion of a number of letters from students, I think, is one of the strengths of your submission. I am particularly concerned about your comments on the issues associated with international education—which people tell us is the panacea for all our problems in higher education. You say here, for instance, that a student from the United States incurred a debt of \$3,000 for a plane ticket and unfunded living costs to come here and find that a course did not exist. She believed that that course did exist and it was advertised to exist, and there was an assumption that alternative classes would automatically be taken by this student. That is a signed letter from a Nick Williams. You also say that there is a reduction in contact hours below the rate specified in international student visas, which suggests to me a serious breach of the law. You say that there have been:

Breach of promises regarding institutional support at NTU

Failure to meet promised educational standards amongst others.

You also say:

The problems are particularly acute amongst many international students of Asian citizenship who are, for various reasons, the group most unlikely to formally complain.

How adequate do you believe the international program is then, given that these serious problems have emerged?

**Mr Phillips**—I think the best way to attract international students to Australian universities is to provide adequate funding so that those universities can teach with quality and diversity. We can try and delude ourselves with brilliant marketing schemes to attract students from all over the world to come to Australia and study. But the simple fact of the matter is that, unless we give them a quality education, they will go back and it will be to the detriment of our university.

**Senator CARR**—The whole international education industry is predicated on the assumption of the highest quality assurance. That is the fundamental premise on which the whole industry is based. It is our third largest export earner. I am disturbed by what you are saying—and it is not your saying it; in fact, I commend you for saying it. Everyone knows that this is going on, particularly in the home markets. That question is: what is being done about it? In your experience, is anything being done to address these issues within this university? Is it possible to address these issues without additional resources going to improve the quality of the programs being offered?

**Mr Phillips**—Once again, as far as what is being done about it, I think that question would be better directed at the university.

**Senator CARR**—On the issue of private funding, Senator Brandis has asked you some questions. In your submission, you say:

Private funding must only ever be a supplement over and above adequate and appropriate funding from the government.

That is the premise on which you have argued this case. We have heard evidence across the country to the effect that private funding goes mainly on areas where the private sector gets benefit. That is, private funding is not presented to the university on the basis of charity; it is not philanthropy. It is designed to return a profit on investment—a profit for private enterprise. Is it your view that this university is different from others in so far as there being enterprises out there prepared to make a donation to the university out of their public spiritedness rather than seeking to have strings attached to the payment of money to the university? Can you think of any examples?

**Mr Phillips**—No, but I might just say this: I think there is a role for private funding of universities, but it is essential that the mechanisms are in place so as not to jeopardise the ability of the university to decide which areas it is going to focus on. I am sure that most private companies do not give millions of dollars to universities because they think that everybody will then think they are nice guys.

**Senator CARR**—So is it the case that private investment through, say, IT has affected the profile of the university's activities? Take, for instance, the mining industry or Jabiluka and its funding of various projects here: do you think that has any effect on the activities of this university? Does it change in any way what the university would otherwise do?

**Mr Phillips**—Once again, I do not think I am qualified to answer that question.

**Senator CARR**—Well, thank you very much for your submission.

**CHAIR**—That concludes our questions. Thank you for your appearance.

[11.00 a.m.]

**McKAY, Professor Ronald James, Vice-Chancellor, Northern Territory University**

**WEBB, Associate Professor Charles Joseph, Pro Vice-Chancellor, Higher Education and Research, Northern Territory University**

**CHAIR**—I welcome representatives of the Northern Territory University. I take this opportunity to thank you for your hospitality today. We look forward to some further information on your submission No. 124. Are there any changes you wish to make to the submission?

**Prof. McKay**—No, I think it stands.

**CHAIR**—The committee prefers that all evidence be given in public, although we will consider any requests for all or part of evidence to be given in camera. I point out, however, that such evidence may subsequently be made public by an order of the Senate. I now invite you to make an opening statement, and then we will move to questions.

**Prof. McKay**—Welcome to the university. Thank you for the opportunity to meet with the committee. I will be brief. As you know our submission focuses very strongly on issues directly relevant to the Northern Territory University, the NTU, and particularly on the impact of funding pressures that have been upon us in recent times. We have taken this approach being aware of areas of more general concern which are also relevant to us and those that are addressed in the AVCC's submission. I would like to note my support for that submission. We have attempted in our submission to convey the view that NTU is a unique institution in unique circumstances. It is a very important resource for this part of Australia and the key to ongoing development. In the Northern Territory government's strategic plan *Foundations for our future* NTU has a role in major themes, from helping to diversifying the economy through to maintaining the Territory lifestyle.

In the 12 years since its formation the university has come a long way. Its aim is to provide a good range of study options to Territorians to ensure that they have opportunities not too different from those available to other Australians, while developing strengths in areas of particular relevance and significance to the region. It has been very successful in this, having produced many thousands of graduates in its higher education and TAFE programs and providing access to many who might not otherwise have studied at post-secondary or graduate level. Its strategy of concentration has produced an enviable research record for such a small institution. It has also enjoyed strong community support and involvement.

However, in recent times, the road forward has become progressively more rocky. Despite a range of efficiency measures taken to cope with the financial pressure, it is increasingly difficult to deal with shifting patterns of demand, to maintain reasonable program breadth and to provide appropriate administrative and academic support. While standards have been maintained, limitations to offerings, reduced staffing and alternative delivery arrangements have put quality at risk in some areas. For some, expectations—whether reasonable or not—are not being met, and this may have damaged public confidence in the institution. At present the university, with

the support of both the Commonwealth and the Northern Territory governments, is exploring strategic options for the future. The project is being assisted by KPMG. I have no doubt that NTU will continue to be a good university, strongly behind the growth and the development of the Territory, but the extent to which it can meet the needs and expectations of Territorians will depend heavily on the level of government funding applied to the task. I hope this inquiry will help make the point.

**Senator CARR**—Thank you very much for your submission. I note that the university has been successful in a number of areas, particularly given the extraordinary difficulties you are facing at the moment. You say you support the Vice-Chancellors' Committee's submission. I note that the Chairman of the Vice-Chancellors' Committee, Professor Ian Chubb, said recently at the National Press Club that Australian universities were in crisis. Would you agree with that assessment?

**Prof. McKay**—We are certainly falling behind the rest of the world. The evidence provided in the AVCC's discussion paper on funding demonstrates that.

**Senator CARR**—You say that, while standards have been maintained here, quality is at risk. In what ways do you think quality is at risk?

**Prof. McKay**—I define quality in terms of expectations. It is all about meeting expectations, and we are not doing that. We are not able to provide the sorts of approaches to teaching delivery that people want. For example, we are having a much stronger reliance on external delivery resource materials from other institutions. Many students do not like that, and that is not meeting their expectations. But there are also other things. Classes are larger than they were. Access to staff is more limited than it was. Staff are certainly putting in a lot more work and are less available than they used to be. Our administrative support is not as strong as we would like it to be. It means there are delays, for example, in having equipment serviced. We are generally doing it tough. But I would like to say, if I might, that there needs to be some balance here. While everything is not all right, we are not a basket case. We are delivering material to a standard. Our graduates are still fit for their purpose. But we cannot continue to sustain what we are doing much longer with the level of funding we have.

**Senator CARR**—So the threat is real, as far as you are concerned, that the university will become a basket case?

**Prof. McKay**—We will not let it become a basket case. What will happen is we will have to restrict more the things we do. At present we are trying to make sure that we provide a reasonable range of offerings, but we are reaching the point where we are going to have to reduce those offerings further if we do not have more funding.

**Senator CARR**—Do you think the shortcomings in the course work and in teaching actually jeopardise the capacity of this university to deliver appropriate qualifications and educational experiences?

**Prof. McKay**—I think we can deliver appropriate qualifications and educational experiences—it depends how you define that. In the areas we deliver in, I think we are maintaining standards and providing a reasonable experience. It can always be better of course.

**Senator CARR**—The submission from the students' union and the postgraduates' submission point to a number of concerns. Could you advise the committee of your assessment of those cases they have put to us. I am particularly interested in what these examples say about the quality assurance regime at this university. With respect to the Bachelor of Computer Science program we are told that midway through the degree course it was changed to a general bachelor of IT and that this resulted in the accreditation from the Australian Computer Society for professional membership being withdrawn. We are also told of a third-year subject being withdrawn midway through some students' degrees. We are told that, in the opinion of the students, this has compromised the degree and has reduced its quality and value. We are told that the university does not have sufficient skilled and qualified staff to teach this degree while continuing to offer it. Could you give us some advice on the quality of the computer science program?

**Prof. McKay**—I think it is very easy to take a particular view of a particular student and extrapolate it to the whole body of students. In that particular case, I have no reason to believe that the Bachelor of Information Technology award is anything but of an appropriate standard. The review to which they refer is, I think, part of our normal cycle of reaccreditation of courses. In the last cycle for that award there was a move towards the national approach of recognising computer science as part of IT. I am advised that the course was reviewed as normal by a course advisory body consisting of staff and industry representatives. The recommendations then went to our planning and courses committee, where it was reviewed by, at that stage, a committee of deans and senior academics. We have since changed the composition of that committee. Then it went to the academic board and to council.

**Senator CARR**—You are saying that the review process was adequate. If that was the case, why did the Computer Society for Professional Membership withdraw its accreditation from the course?

**Prof. McKay**—We have never sought the accreditation from the Australian Computer Society for those courses, as far as I am aware.

**Senator CARR**—Is it true that the Australian Computer Society did in fact withdraw its accreditation?

**Prof. McKay**—No, we never had it—at least that is my understanding.

**Prof. Webb**—I think I can add that there is a question of levels of accreditation. I do not believe that there was a withdrawal by the association. It was a negotiation with the association about what level of accreditation they would give to a computer science major within a Bachelor of Information Technology.

**Senator CARR**—I am sorry; I am just not clear about this. Professor McKay, you say no accreditation was sought, yet your university was negotiating with the society on the issue of accreditation, and presumably there has been a downgrading of the accreditation for the program. Is that correct or not?

**Prof. McKay**—The advice I was given was that there was no downgrading, that there was not a level of accreditation originally. If Charles has additional information to that—

**Senator CARR**—Perhaps you can expand on that apparent change?

**Prof. Webb**—My understanding is that we did not seek to get accreditation from the body. But the body has reviewed the information available, and there has been representations from the university on the local ASC which have given a level of accreditation to computer science both when it was within the Bachelor of Computer Science and when it was part of the Bachelor of Information Technology degree.

**Senator CARR**—Perhaps we will need further advice on that. It does seem to me quite a serious change in a position. We were further advised that the quality standards identified by the Australian Association of Social Workers in terms of staff numbers and resources in order to remain fully accredited has also led to a downgrading of the accreditation for that program. Is that the case?

**Prof. McKay**—Again, my understanding is that that process is now going on and a conclusion has not been reached. We are accredited every five years, I think.

**Senator CARR**—Have there been any warnings issued to students about this current negotiation?

**Prof. McKay**—It is a normal process.

**Senator CARR**—So you had no concerns about the accreditation of the program at the university?

**Prof. McKay**—My advice is that we can expect to have it reaccredited.

**CHAIR**—The students' submission refers to a standard of five teachers in the social work course and that there are currently only three. Is the AASW going to change their accreditation standards or will you have more staffing?

**Prof. McKay**—We will have more staff if that is required. I think we have four members in that group at the moment and we are in the process of recruiting another. But I am not sure of that.

**Senator CARR**—The issue of the Bachelor of Computer Science and social work are two examples. We have also been advised that in regard to other programs advertised through the university that, according to the student submission, there has been misleading advertisements regarding insufficient staff to meet the quality levels, the lack of research, the quality of supervision—all of which they say has a negative effect on Australia's international reputation for education and an ill effect on the capacity of the students to obtain quality degrees. How do you respond to that charge?

**Prof. McKay**—I would have to have some evidence of examples of it. How can I respond to it?

**Senator CARR**—There are letters here from the students themselves?

**Prof. McKay**—I am more than happy to address the psychology issue. That is a very good example of how we have been affected by funding pressures.

**Senator CARR**—If you would, please. This is your opportunity to now do that.

**Prof. McKay**—In psychology we have about 70 EFTSU, which is not enough to support the number of staff required for full accreditation. We did at one time have more staff in that area, but we can no longer afford to maintain the desired number. So we looked for an alternative mode of delivery. We made an arrangement with another institution to provide distance educational materials which are used as resource materials. Students do part of the course on campus here by traditional methods and do some units externally from the other institution. There is some assistance given to those students who study units externally with the other institution.

The problem occurs with psychology and indeed it is evident in another area too. With such a small number of staff, if there is a staffing issue, as there was in this case, resulting for various reasons in three staff members leaving us in a very short time, then we are strapped. In a large body of staff you can absorb that to an extent. In a small body it creates quite a crisis. It was quite unexpected. We had another staff member coming on secondment from another institution, which was withdrawn at the last moment so we were not able to use that avenue. We increased the external offerings through our arrangement with the other institution and employ some part-time staff. That is the way it is operating this semester. We are in the process of employing another three staff members to replace the ones who left. Unfortunately, in all of that—and it happened in a very short space of time and was certainly very difficult to handle—information about the changes to the units was not passed on. A mistake was made and some students had the wrong information.

**Senator CARR**—Another issue put to us was that, in a number of courses in business office administration in IT, the ratio of students to computers is four to one, that software is outdated, that the classes start without lecturers and recommended textbooks. Is that true?

**Prof. McKay**—There is a grain of truth in it, but it is fairly well exaggerated. It is certainly true about the computers. We had in that particular course a room of 12 computers. There were around 45 or 50 students. So we had to run four classes. But that is not all that unusual. You do not have one computer per person in these classes or even one per two persons. Incidentally, that was a TAFE course.

**Senator CARR**—Does that mean you can expect lower standards or justify its lower standards?

**Prof. McKay**—No, of course not—but I thought this inquiry was about higher education.

**Senator CARR**—This is. By the way, TAFE is a part of higher education.

**Prof. McKay**—It is certainly our view here but—

**Senator CARR**—I am pleased about that.

**Prof. McKay**—I did not think it was shared by many.

**Senator CARR**—The points I have raised and the evidence presented to the committee suggest to me there is quite a serious quality assurance problem in these areas. You are saying that this is a direct result of the funding regime that is being directed from Canberra. Are you saying that there is discrimination against universities such as this? Is that the submission you are making to us?

**Prof. McKay**—No. I am really saying that there is not enough discrimination in favour of us; not that there is discrimination against us. We are funded under a system that is applied to all universities with some variations. We actually get a relatively generous loading on our funding—about 20 per cent above the norm—from higher education sources.

**Senator CARR**—So you do not believe there is a bias against regional universities in the current funding regime?

**Prof. McKay**—I do not think the current funding regime recognises the position of regional universities properly and certainly does not recognise the position of this one—simply because it does not fund us adequately.

**Senator CARR**—Are you saying it does not recognise or is biased against?

**Prof. McKay**—It is structured in a way that does not meet our circumstances.

**Senator CARR**—In terms of the research, Dr Kemp, for instance, has told us on numerous occasions that, in regard to the research efforts, he does not believe that there should be national priorities. The NTU postgraduate students' submission says:

When the research effort is tightly constrained by centrally determined 'national priorities', when the research environment is subject to constant uncertainty and disruption, when governments increasingly seek to determine how research will be managed, creativity can be stultified and innovation harmed.

With your particular needs not being met by the current arrangements, how do you think this approach has affected the capacity to meet those needs and the capacity of your institution to respond?

**Prof. McKay**—The approach of having—

**Senator CARR**—The fact that there are no national priorities that actually identify specific needs in the way that I would have thought you would. The inference I draw from your submission is that you think there are special needs in this region that need to be attended to. It would appear that that approach is quite contrary to the current policy framework.

**Prof. McKay**—I think there needs to be some recognition of the part we have to play in northern development. There are things going on up here—oil and gas, defence. Obviously there is an attempt to develop the north of Australia. I think that needs to be recognised in our funding. As far as research is concerned, I believe that there should be priorities. That is not to say that there should not be room for all other forms of research. I think it is desirable to have

some focus, and obviously for us the thing to do is to focus on issues that are particularly relevant up here.

**Senator CARR**—When we were in Tasmania the vice-chancellor there was able to identify for us the effect of reductions in budgets that have occurred for his university in 1996. If you were to project the forward estimates forward from 1996—the funding model that was in place then—and compare them to what you actually get now, he was arguing that there was a \$6 million reduction in the amount of money that was available for Tasmania. What is the equivalent figure in terms of Commonwealth funding that we have seen reduced to your allocation?

**Prof. McKay**—Effectively, I would say it is about the same. Effectively, it is about 20 per cent.

**Senator CARR**—A 20 per cent reduction.

**Prof. McKay**—Effectively.

**Senator CARR**—How many millions of dollars is that.

**Prof. McKay**—About \$6 million in our budget.

**Senator CARR**—So you think this university has lost \$6 million out of the Commonwealth funding changes?

**Prof. McKay**—Effectively. It is a bit hard to say exactly what it would be. I do have some figures somewhere about the reduction in real terms. Three or four million rings a bell. But there is an issue there about having to meet higher costs, fund pay rises and so on.

**Senator CARR**—Yes, there is a supplementation issue. So you think the figure of around \$6 million is reasonable when all of those factors are taken into account?

**Prof. McKay**—Yes, but I would not like to be held to it.

**Senator CARR**—Dr Toyne raised some quite serious issues in regard to public debate within the Territory. Traditionally universities have been regarded as having a number of functions. People have said to us—in fact it has been presented to us in various academic works—that one of the effects of the transformation of higher education in recent years to a market oriented user pays business, providing service to industry and generating foreign income, has been to seriously erode the capacity of universities to carry out their traditional civic functions: to preserve and advance knowledge, to prepare students for their professional careers in a broad intellectual setting designed to foster inquiry and to reflect on public issues. It has been suggested that the most striking feature of the present situation is the loss of confidence in the academic mission; that academics have been reluctant to affirm the value of intellectual inquiry in the pursuit of truth and to communicate with the public about what is happening within the university, especially the threats to academic freedom and the degradation of standards. From what we have heard today, it would seem to me that those sorts of sentiments may well apply to this university. How do you respond to that proposition?

**Prof. McKay**—I think there are many ways in which staff and students of this university contribute to the intellectual development of the Territory. They are involved in all sorts of professional associations and committees that are relevant to development in all spheres. There is undoubtedly less public debate about issues than I would like to see. But I am not sure, and I have not seen any evidence, that that has changed in recent times. It has always been an issue in this institution to try to get our staff to participate more in public discussion. I think that is simply a cultural thing. I would categorically deny any suggestion that this institution in any way stifles academic debate. In fact, I can think of a few cases where I would not mind stifling some people. People here are free and encouraged to say what they like.

**Senator CARR**—Are you saying that there is no penalty?

**Prof. McKay**—Only for the vice-chancellor. No, there is none.

**Senator CARR**—With the exception of the vice-chancellor. I just want to be clear about this. As far as you are concerned, your policy is to rigorously defend academic freedom?

**Prof. McKay**—Yes.

**Senator CARR**—And you would not countenance any penalty against members of this university for speaking publicly about controversial issues?

**Prof. McKay**—No.

**Senator TIERNEY**—You mentioned a figure of \$6 million reduction in funding. Over what period of time was that?

**Prof. McKay**—I did put some caveats on that. That would be from about 1995-96.

**Senator TIERNEY**—I assume this is public funding you are referring to.

**Prof. McKay**—Yes.

**Senator TIERNEY**—Over the same period, what happened to income to the university from other sources?

**Prof. McKay**—It has been increasing, but very slowly.

**Senator TIERNEY**—What happened in relation to that figure?

**Prof. McKay**—As I said, that figure encompasses an effective reduction. In dollar terms, the reduction is less than that. In overall terms, there has been a fluctuation. We have had a lot of building going on here, and it is very difficult to get a handle on it. It has probably dropped a little. The whole thing has trended down a little. It may be two or three—

**Senator TIERNEY**—We are talking about total funding from all sources.

**Prof. McKay**—I would say it is about the same; perhaps up a little.

**Senator TIERNEY**—So the \$6 million drop has been almost counterbalanced by similar sorts of rises from other sources?

**Prof. McKay**—Possibly.

**Senator TIERNEY**—So it is not true to leave an impression, as you did with Senator Carr's question, that you have lost an overall level of funding for the university?

**Senator CARR**—Do not mislead the witness. My question was about Commonwealth funding.

**Senator TIERNEY**—Chair, I sat in silence through Senator Carr's questioning. I could have interjected many times. I want to get the record straight. The impression left was that there had been an overall reduction in funding to this university. Now the vice-chancellor is indicating that, on total resources, it is about the same or maybe down a bit. That is a very different impression. I wanted that corrected on the public record. I want to move on to a number of other points. With respect to the 20 per cent loading that you receive, do any other universities in Australia receive that loading?

**Prof. McKay**—It varies. We have a little bit of evidence that our loading has eroded. Certainly, there are a number of other institutions that have loadings higher than they had. I do not know if it is fair to call them loadings, but they have moved further from the average than they used to be.

**Senator TIERNEY**—Above the average because they are a little more remote from the major cities?

**Prof. McKay**—For whatever reason. It may be changes in mix of offerings.

**Senator TIERNEY**—But you are the only one you are aware of with such a high loading. I assume this is because of the remoteness of this institution compared to other institutions.

**Prof. McKay**—I believe we are the highest.

**Senator TIERNEY**—You mention in your submission some of the unique characteristics of the university in relation to the way in which you fully integrate, I think the term was, TAFE and university offerings. Ten years ago I was on the steering committee of the central coast campus of the University of Newcastle, which set up a similar arrangement on the central coast, and we found that this works in a very impressive way. Could you put on the *Hansard* record the way in which that integration works in this university? You may wish to refer to articulation of people moving from TAFE to university courses as a result of having it all on one campus.

**Prof. McKay**—Yes, I think it is quite different from the arrangement you have described. I believe it is a co-location there rather than an integration of institutions.

**Senator TIERNEY**—It is co-location and also articulation of courses—a smooth move from TAFE to uni courses if people want to do that.

**Prof. McKay**—But they are separate institutions.

**Senator TIERNEY**—No, they are within the same institution, called an educational precinct, and it has university, adult education and TAFE. You can walk out of a TAFE classroom and walk into a university classroom. I wonder whether it is a similar arrangement here.

**Prof. McKay**—It is. Certainly, it is at least that. My understanding of that arrangement is a little different.

**Senator TIERNEY**—They are not separate institutions on the central coast; it is all integrated.

**Prof. McKay**—Here we are totally integrated not only in terms of location but also in terms of our courses. We simply offer courses from certificate through to PhD, not in all areas of course, and that helps us promote various pathways, nest programs and get some economies of scale in terms of running the organisation. It helps promote articulation. I will ask Charles to add to this, but I believe that, at present, we forgo in our higher education component about 540 EFTSU in terms of credit granted to students coming through from the TAFE side.

**Prof. Webb**—We take about 14 per cent of our entries on the basis of a TAFE qualification and we are forgoing 540 EFTSU on the 2000 figures for credit from TAFE courses.

**Senator TIERNEY**—Can you give me an example of a course where someone might come in and do a certificate and then go through and do a bachelor or masters? What proportion tend to do that, to move on to degree work after TAFE work?

**Prof. Webb**—Since we have been talking about IT, I will talk about that. We have a whole suite of pre-degree programs in information technology going from TAFE certificates articulating to a bachelor of information technology, and when you have completed a bachelor of information technology you can go through to a masters. I do not have the figures for articulation but, as I indicated, 14 per cent of entry into higher education programs is on the basis of a TAFE qualification, and that puts us in the higher band of Australian institutions for facilitating TAFE entry into higher education.

**Senator TIERNEY**—Perhaps for that IT example you could get us some figures for cohorts who go on to a certificate and then later articulate to a degree.

**Prof. Webb**—Yes.

**Senator TIERNEY**—You have an arrangement with the Open Learning Agency's vice-chancellor. This started across Australia 10 years ago. The then minister for education or minister for finance, now the Leader of the Opposition, said in the budget speech that anyone in Australia who wanted a degree and who had a television or letterbox would be able to get one. It was all going to happen through the Open Learning Agency. I was very critical of the arrangement at the time. Could you update us on how the Opening Learning Agency works in

relation to this university, and are there still any funding disadvantages for the university in terms of linking up with the OLA?

**Prof. McKay**—The arrangement with OLA is simply that we are able to put their suite of units on our books as if they are our own units, so students can enrol with OLA through us. That gives them access to HECS and that is the advantage of doing it through us. I do not believe there is a cost disadvantage to the university. It just provides us with a very broad distance education capacity through an alliance with other Australian universities, effectively. I think there are about 45 EFTSU currently taking that avenue. It is useful to deal with some of the areas that we do not cover but it is not tremendously popular, obviously.

**Senator TIERNEY**—You do not suffer a funding disadvantage?

**Prof. McKay**—No.

**Senator TIERNEY**—They have overcome that. Good. I want to look at the role of the university in terms of economic development of the Northern Territory—you have 4,000 students on campus here and that presence makes a major economic impact, and what the university sources out of the local environment makes a major economic impact. I am not talking about that; I am talking about the way programs and research in the university interact with the Northern Territory economy. Could you provide us with a thumbnail brief sketch of how that is operating and where it is going in terms of enhancing the economic development of the Northern Territory?

**Prof. McKay**—First, if I could just correct a statement you made: we have 13,000 students, not 4,000.

**Senator TIERNEY**—I thought you said that you had 4,000 on campus.

**Prof. McKay**—Most of our students come on campus at some stage.

**Senator TIERNEY**—That is EFTSU?

**Prof. McKay**—No, that is hot bodies.

**Senator TIERNEY**—EFTSU is what?

**Prof. McKay**—Equivalent to about 5,500. Apart from that obvious benefit you have pointed out, the university plays a big role in keeping people here and making sure that families have options so that they do not have to send their children elsewhere. It helps attract families for the same reasons, as I have outlined in my submission. It provides many of the skills that the workforce needs and so contributes in that way. We are aiming to help develop industry here. We are part of the IT incubator. We are looking for other ways to help develop industry as well. We are involved in the Northern Territory government's *Foundations for our future* intention to build the economy through service industry growth, and we contribute to that mainly through education. In the research area we are, as you have heard, part of five CRCs: the tropical savannas CRC, which is located here, is important for land management issues across the north of Australia and, of course, there are significant economic issues involved in that; the CRC for

Aboriginal and tropical health is aimed at improving the health of indigenous people, which will go a long way to improving economic development as well, and the same can be said of education; the CRC for sustainable tourism; the Australian Centre for Renewable Energy, again, with economic implications; and we have a key centre for tropical wildlife management, which is all about the sustainable management of tropical wildlife, and there are economic issues involved in that, particularly for indigenous people.

**Senator CROSSIN**—You say in your submission that it is difficult to realise your full potential when the university is effectively treated as two institutions for the purpose of funding and reporting. In other words, I am assuming that, because you are a fully integrated institution, the way in which both TAFE and higher ed are funded and reported restricts your potential in some way. Can you explain how that is?

**Prof. McKay**—The funding that comes for the two sectors essentially comes without much reference to the funding from the other sector. There is no coordination of that, and that leads to some differences of opinion about who is paying the most and getting the most out of it. You do have some suggestion that one side is subsidising the other. I think that leads to a reluctance in each of the two sectors to provide more funding. More importantly than that, we have to report in great detail on our TAFE activities and in great detail on our higher education activities. The systems are quite different, the requirements are quite different. At least in that area we need to maintain all of the systems that two separate organisations would have to maintain to provide the information that is required.

**Senator CROSSIN**—You get a 20 per cent loading on your funding. VET, I understand, gets a 74 per cent loading, yet both areas of post compulsory education are offered at this institution. Why is there such a disparity and does that affect one sector as opposed to another?

**Prof. McKay**—We do not get a 74 per cent loading on VET; the Territory does for TAFE generally.

**Senator CROSSIN**—That is not passed through to you with payment for AHC hours from NTETA?

**Prof. McKay**—Not uniformly. As you would expect, institutions like Batchelor which have a much larger population in remote areas would get a larger share of the cake, at least on an AHC basis.

**Senator CROSSIN**—Have you ever done an analysis of what the average cost of delivering particular programs might be?

**Prof. McKay**—We do have data on how much income comes in. We would say that the funding that we get for the various areas is probably relatively okay but we would always argue that we need more. In some areas such as the funding levels for remote activity we believe we are well under the actual cost.

**Senator CROSSIN**—In what particular areas across the university does your estimated cost of delivery not match the money that you get from DETYA?

**Prof. McKay**—For TAFE?

**Senator CROSSIN**—For higher education, in particular.

**Prof. McKay**—We pretty much deliver our funding to our faculty areas in line with national average staffing ratios which, on an exercise we did a couple of years ago, is around about on the relative funding model. Relatively, we pass the funding on to our areas in much the same way as we get it. There is some adjustment within the faculties because some areas are thin on the ground and need to be sustained perhaps more than their numbers warrant from an economic viewpoint.

**Senator CROSSIN**—Have you done any sort of raw data comparison of that cost of delivery versus the money that you are getting, say, per EFTSU now that is lower than it was years ago?

**Prof. McKay**—We are in the process of looking at the cost of delivery now. That is part of the process I mentioned earlier with our strategic positioning project. We are looking at costs. We do not have definitive information on costs in different areas. This business of costing higher education activity is, as you would be aware, quite difficult because you can always use more, you can always do more. You do know, though, when you are getting too little.

**Senator CROSSIN**—When you say you are getting too little in terms of Commonwealth funding, is the too little in terms of the restriction on the number of places that you are allocated or is it in fact the level of funding?

**Prof. McKay**—It is the level of funding. Demand is soft; that is part of our problem. We struggle to meet our targets. When we have demand shifts from one area to another we can find ourselves in a bind because we have plenty of staff in the area where the demand was and not enough where the demand is. The fundamental problem is that the level of funding is not enough to cope with that sort of thing.

**Senator CROSSIN**—Palmerston campus late last year received \$2 million for a new IT plant. My government colleagues at the other end of the table would want you to say—and you have—that the level of private investment in the university has been around \$6 million in recent years and the level of reduction in Commonwealth funds has been \$6 million. They would want to argue that, therefore, the university is really no worse off. It is a fairly cute argument in that I am assuming the \$2 million for the IT plant will be spent specifically on that area—just as you have a chair of indigenous studies funded from Ranger that specifically goes to that position. Is it a biased argument to say that \$6 million from private sources in the last few years compensates for the \$6 million deficit you have had from the Commonwealth government?

**Prof. McKay**—We do not have \$6 million from private sources, and I have to correct you about the computing plant on Palmerston campus. There was a proposal that ASI would establish a plant on that campus in a precinct that we were developing for that. There were all sorts of benefits to the university in that. They were not actually giving us money; they were building a plant that would offer some benefits to us in terms of getting access to computer equipment and getting our students some work experience. But that is not going to happen. The computer company has withdrawn from that arrangement. Generally speaking, though, when we get private money—and we do get quite a bit of support from the local community to the extent

that they can support us through our university foundation, and the chair you mentioned came through that source—it is usually tied and funds activities that are in addition to what we normally do. We have attracted quite a bit of additional research money, and again that is specific purpose funding that needs to be applied to that. Our problem with funding is about recurrent funding for undergraduate and postgraduate activities.

**Senator CROSSIN**—The position I am getting to is this: the argument that some of my colleagues would like to highlight—that private sector funding from companies or through the university foundation compensates for the lack of funding from the Commonwealth government and other government—does not hold because the Commonwealth government funding goes to recurrent funding as opposed to money tied for specific purposes. Is that right?

**Prof. McKay**—Generally speaking, that is right, yes.

**Senator CROSSIN**—Why is there a need for the Commonwealth government and the NT government in partnership with your institution to look at a future strategy for the university under KPMG? I have in front of me a press release that you might have issued that says that the study is going to develop options for positioning the university, but one of the other aims is to explore how the university can increase its revenue from sources other than government. Why is there a need to conduct this study? Do you believe that increasing your revenue from sources other than the government will solve some of the funding problems you are experiencing?

**Prof. McKay**—I will take the second question first. Increasing our revenue from sources other than government will certainly help us to develop in areas that are important to the Territory. For example, we would hope that, when oil and gas gets going, there will be some private funding around that we can access to help develop our facilities to support that activity. Certainly, to that extent private funding is important. On the additional funding for recurrent costs, the purpose of this exercise is to look at precisely the issues that I have outlined in the submission. We recognise that we are having difficulty maintaining our current activities with the level of funding that we have. We need to work out how we are going to go forward.

**Senator CROSSIN**—What is the cost of the study?

**Prof. McKay**—It is not settled yet but I would imagine the total cost would be in the order of \$250,000 to \$300,000.

**Senator STOTT DESPOJA**—I want to return to the issue of the 20 per cent loading, just to clarify a couple of points. You have stated explicitly in your submission that that loading is not adequate. Senator Crossin brought up the disparity with other educational sectors in the Northern Territory. I understand that primary education gets 50 per cent, secondary gets 42 per cent and TAFE gets 72 per cent. I know Senator Crossin explored some of these points, but has the department explained how they evaluate that loading, that is, the rationale for the particular figure in each case? What evidence do you have to suggest it is inadequate compensation, and do you have a specific figure or an amount of money that you think would be more appropriate under the circumstances?

**Prof. McKay**—The department has not explained how they arrived at that loading, you will have to ask the department. We have argued since 1990 that we can justify a loading of 54 per

cent. That is my recollection of the original loading. It has probably gone down a bit since then—we have revisited it from time to time and some of the additional costs we incurred back in 1990 have disappeared. But there are still things like additional travel costs, recruitment costs and the cost of living up here—the harsh climate and associated power costs. We pay about three times the national rate per kilowatt hour and so on. Those things all apply. But a big chunk of that is the diseconomies of scale we have with small classes and the like, and that becomes quite subjective. I really do not know what the right loading is. My feeling is that the approach is wrong. What we really need is some base amount and then a variable amount on top of that. I do know that it is more than 20 per cent.

**Senator STOTT DESPOJA**—You mention on page 3 of your submission that there has been some student dissatisfaction with franchise arrangements. Can you elaborate on that? What is the nature of the dissatisfaction? What do you franchise and what mechanisms do you have in place to deal with that, to ensure quality and to deal with grievances?

**Prof. McKay**—I have used the term ‘franchising’ in a different sense, perhaps. That is a reference to arrangements such as the one we had with psychology where we used external materials from another institution. Of course, the quality of those materials is assured by that institution. For example, the arrangement with OLA. There is mainly anecdotal evidence, but it matches other advice I have had and things I have read, that there is quite a lot of unhappiness amongst students about studying externally. They simply do not like that mode of study—that is why they have chosen to come to this campus. That refers to a number of students. In terms of broad satisfaction or dissatisfaction with the offerings on this campus, we run a thing called ‘Q spot’ which is a teaching satisfaction measure. We have had about 1,500 responses in each of the last three years. It is a measure that goes from one to five, where one is good and five is bad. The score is around 1.75 from those students. That indicator suggests that there is, at least, broad satisfaction with our offerings. Similarly, the course experience questionnaire broadly shows we are running on the national average.

**Senator STOTT DESPOJA**—That ties in with another question I have in relation to quality. The picture that you paint in your submission is of an institution that is suffering as a consequence of these financial constraints. You state, for instance, that in some areas of low demand—presumably physics, maths, engineering:

... staff numbers are insufficient to sustain the academic and scholarly atmosphere normally expected in a university.

However, you go on to maintain that teaching quality has been maintained. The difficulty this committee is going to have is the debate about quality—how you assess it where it has been maintained. In response to Senator Carr earlier you talked about your concerns about quality generally. How do you assess quality? How do you reach the conclusion that, in spite of these things that have been happening—the financial difficulties, student dissatisfaction, et cetera—teacher quality has been maintained? Does it relate to some of those quality control mechanisms such as the Q spot?

**Prof. McKay**—I believe that measures such as the Q spot and other things indicate that, at least broadly, quality is being maintained in the classroom. It depends how you define quality, of course, and those of us who are interested in quality management—as we are very much in this institution—define it in terms of expectations. Although I have to remind myself to define it

that way, it is probably not the way I always use the word. I suppose that, even in the case of talking about staff maintaining a scholarly and academic atmosphere, it is the same thing—there are not enough people to talk to in their fields, for example. What that means is more travel or electronic communications, which are good but not necessarily the way you want it to be. You cannot sit around and talk about issues readily. There is that part of the issue. I am not sure whether I have addressed all the points you made.

**Senator STOTT DESPOJA**—It is a difficult one but, for example, in the latest issue of the *Australian University Review*, Smith and Franklin use various criteria—I see Professor Webb nodding—for example, postgraduate coursework programs that have reduced time frames from two years to six months, and undergraduate courses in postgraduate degrees. Do you accept any of their criteria? Are these sufficient measures or good criteria on which to assess quality? I am happy, Professor Webb, if you want to contribute to this discussion; this will be one of the key issues the committee will have to grapple with.

**Prof. Webb**—Are you asking whether those measures identified by those authors are ones which the sector would accept as being measures of quality?

**Senator STOTT DESPOJA**—That is my question. Would the sector generally, or NTU specifically, accept their criteria to define quality?

**Prof. Webb**—To reiterate the vice-chancellor's view, the quality of the experience is very much determined by what the customer sees in terms of being delivered.

**Senator STOTT DESPOJA**—By 'customer' I assume you mean 'student'.

**Prof. Webb**—Yes. A lot of factors impact on students' perceptions of their experience. In terms of the elements in, for example, the course experience questionnaire, we would be fully supportive of those elements as indicating whether students were satisfied with the generic skill 'overall satisfaction with teaching quality'.

**Senator STOTT DESPOJA**—I asked the student union about a reference in their submission to compulsory common units. Could you elaborate on that? That is an interesting issue we have heard about for, I think, the first time in the committee.

**Prof. Webb**—I am happy to talk about common units. Student perception of the common units is not uniformly the same. It tends to segment between year 12 students, who probably have a desire to get straight into discipline based information. We have a lot of mature aged students here and the purpose of the common unit program is twofold: one is to be a satisfactory mechanism for transition to university study, so that they gain the sorts of skills required to make that transition; and the second element is to provide an assurance that students coming from this institution understand issues to do with northern Australia. The common units program is meant to do two things: to badge this university's degrees with knowledge of northern Australia and to provide a mechanism for transition. We have had that program reviewed by the Centre for Higher Education Research at Melbourne, by Professor Craig McInnes, who has indicated that it is a groundbreaking, interesting and important program to have on board.

**Senator STOTT DESPOJA**—The submission refers to the possibility of providing tax relief for staff in order to recruit staff. Is the ability to recruit and maintain good staff one of the most significant issues that this university faces?

**Prof. McKay**—Yes. We do have an issue about recruiting good staff. To get people to come to the Territory we need to be able to offer more than is offered in other places. If we want high flying researchers up here, as we do, then we are going to have to pay more, but we cannot afford to do it.

**Senator BRANDIS**—We heard some evidence from one of the students that there had been closure of some departments, including the English literature department and the philosophy department. Was that a result of funding cuts or as a result of insufficient student demand for courses in those fields?

**Prof. McKay**—We do not actually have departments; we run schools. We have numbers of staff in specialisations. We did remove all the positions in English literature, and that was a direct result of funding cuts, but we chose the areas where we made cuts in accordance with our strategy, the needs of the Territory and the demand. We cut where the demand was low, and the demand was low in English literature.

**Senator BRANDIS**—If resources were limitless, any university could offer courses in any discipline of knowledge so as long as there was just one student. But, presumably, there is a point at which a course ceases to be viable in terms of resource allocation and that is driven by demand for those courses, is it not?

**Prof. McKay**—Yes.

**Senator BRANDIS**—We have been going around the country and, for instance, in Hobart last Thursday we heard evidence from the Vice-chancellor of the University of Tasmania and we have heard evidence from other vice-chancellors elsewhere in the country to the effect that universities are under great pressure in terms of available resources. Although that has led to cuts in particular areas of their operations, in some instances at least, no vice-chancellor or person in a position to make an informed judgment of this was prepared to say that academic standards have fallen. In fact, what they did say was that academic standards continue to rise. Has that been your experience here?

**Prof. McKay**—My belief is that academic standards are being maintained—they may well be rising. But you have to make a distinction between academic standards and quality. We will ensure that our students get an education of the right standard, but the way in which we deliver it, the timeliness with which we can deliver it and the number of areas in which we can deliver it are directly affected by the funding level.

**Senator BRANDIS**—I understand that those are particular issues, but do you say that the quality of your graduates from undergraduate and post-degree courses has been maintained?

**Prof. McKay**—I believe so.

**Senator BRANDIS**—Do you say that the quality of your scholarship has maintained its intellectual standards?

**Prof. McKay**—Apart from the comments I made earlier, I would say, yes, but it is becoming very difficult for our staff to maintain the levels of scholarship that we would require.

**Senator BRANDIS**—You mentioned before that that is partly a function of time. But isn't that a slightly elegant way of saying people have to work harder?

**Prof. McKay**—That is right.

**Senator BRANDIS**—Isn't that a good thing that people work harder?

**Prof. McKay**—Yes, sure.

**Prof. Webb**—There are only 24 hour in a day.

**Senator BRANDIS**—I put the proposition to you seriously. The pursuit of excellence and the extent to which people work hard in the pursuit of excellence are related to each other, aren't they?

**Prof. McKay**—As my colleague has just said, there are only 24 hours in the day.

**Senator BRANDIS**—I understand there are limits but, as a general proposition, you cannot possibly say that, just because staff are working harder, a bad policy produced that outcome.

**Prof. McKay**—No, I cannot say that but, in this case, they are past the limits. There are staff in this institution who are working beyond reasonable limits and who spend all their time dealing with the students and the mechanisms of delivering courses and do not have adequate time to reflect and to develop their own scholarship.

**Senator BRANDIS**—You will forgive me taking a slightly pragmatic view, but I regard the outcomes your university produces as the ultimate test and if the outcomes continue to be consistently excellent, as I understand you to be telling me, I am not immediately sure what the problem is.

**Prof. McKay**—The outcomes are very good. They will not be if we continue the way we are. We will, as I have said, maintain our standards but the consequences of doing that will be severe. We will not be able to offer anything like a reasonable range of opportunities to Territorians.

**Senator BRANDIS**—I put it to you this way: the point at which you would decide that the resourcing problem has become acute is the point at which standards begin to decline.

**Prof. McKay**—Hopefully, we would get them before they begin to decline.

**Senator BRANDIS**—That has not happened, yet.

**Prof. McKay**—It is right on the cusp.

**CHAIR**—No further questions. Thank you for your attendance.

[12.04 p.m.]

**CLARKE, Mr Kenneth Bruce, Under Treasurer, Treasury, Government of the Northern Territory**

**PLUMMER, Mr Peter James, Chief Executive Officer, Department of Education, Government of the Northern Territory**

**CHAIR**—Welcome. Are there any changes you wish to make to your submission?

**Mr Plummer**—No.

**CHAIR**—The committee prefers that all evidence be given in public, although we will consider any request for all or part of evidence to be given in camera. I point out however that such evidence may subsequently be made public by an order of the Senate. I now invite you to make a brief opening statement, and we then will move to questions.

**Mr Plummer**—I draw your attention to the fact that the under treasurer has the capacity to answer some of the questions asked in the previous round of questioning in respect of dollars, and his particular interest is in those formulas and allocations. More broadly, the critical higher education sector issue for us in the NT is the NTU's capacity to contribute to the strategic positioning of the NT as it develops. Presumably that will happen at an accelerated rate, with the railway and the oil and gas developments on the horizon, to the regional development in this area and to the government's own strategic directions, which are grouped under a plan called the Foundations of the Future.

It is recognised that this university has had considerable pressures on it. It is certainly agreed by the government that that is the case. As a result of that, the government, along with the Commonwealth, contributed to the funding of a consultancy to assist the university in determining its strategic positions and directions for the years to come. This consultancy, conducted by KPMG, is still under way and we do not wish to pre-empt any of the recommendation—although we expect those recommendations to guide the future directions of the NTU, especially in complementing the strategic directions of government.

Broadly speaking, we have four areas of concern. The first of these is funding, the second is growing and retaining our own expertise, the third is Aboriginal development, and the fourth is our own research and development capacity. I probably should stop at that.

**Senator CARR**—Could I get some advice from your department as to what you believe to be the effect of the reductions on Commonwealth outlays to the Northern Territory University since 1996? How much less money is there now being provided by the Commonwealth for operating grants and research grants for this university?

**Senator TIERNEY**—And you may wish to take into account how much additional from other sources.

**Mr Clarke**—I am not sure of the exact figures, I have to say.

**Senator CARR**—You heard the vice chancellor indicate that he thought it was in the vicinity of \$6 million. Do you feel that is consistent with your calculations?

**Mr Clarke**—That would be the order of magnitude.

**Senator CARR**—What is the effect in terms of the number of EFTSUs that that represents?

**Mr Clarke**—I am not sure. My understanding is that it is about \$10,000 per EFTSU.

**Senator CARR**—That is the best you can do?

**Mr Clarke**—At the moment, yes.

**Senator CARR**—Is the department, Mr Plummer, concerned at the number of reports being presented to this committee concerning issues of quality and the effect of budgetary cuts on quality?

**Mr Plummer**—We are naturally concerned at those reports, but we are also aware that there are counterviews that, whilst they are probably not reported here, suggest the opposite of the university. Nevertheless, the problem is that there are perceptions about the university at the moment that we think we need to work at correcting.

**Senator CARR**—The vice chancellor has told us that, while he thought the standards were being maintained, quality was at risk and this may have been damage done to the public confidence in the institution. Presumably he is in a position to be able to give us with some authoritative assessment of those matters. Has the government taken any steps in these areas?

**Mr Clarke**—It certainly has. I can answer that question. The government was sufficiently concerned about the financial capacity of the NTU that, a year or two ago, they contributed between \$2 million and \$3 million extra a year because they were concerned that NTU would not be in a sustainable position and because NTU will, at the end of the day, have a balanced budget. Without that financial capacity there would have had to have been a reduction in course offerings and perhaps other declines in quality.

**Senator CARR**—The financial viability of the university was at stake?

**Mr Clarke**—The financial viability as it was operating at that time.

**Senator CARR**—That is what I mean. The reason you intervened, presumably, was because you felt the university's financial viability was in question.

**Mr Clarke**—That is too strong an emphasis, because obviously the financial viability could be achieved if the government were prepared to allow the university to offer a lower range of courses. The government felt it was not prepared to do that.

**Senator CARR**—What was your thinking in regard to the payment of those moneys? What did you want to see in return for the payment of that \$2 million to \$3 million per annum?

**Mr Clarke**—We wanted to see the continued high standard of education that NTU has been providing.

**Senator CARR**—What do you say to the allegations that the quality assurance regime may not be as strong as otherwise could be expected? For instance, the decline in standards of the bachelor of computer science program resulted in—according to the submissions we have received—the withdrawal of the accreditation of the Australian Computer Society for professional membership. It is alleged to us that the reduction in the social work program in terms of staff numbers and resources may have reduced the accreditation qualifications for that program. There are examples in regard to the philosophy program, the English program and a whole range of other programs which have been ‘decimated’—which is the term used here. How do you respond to those concerns?

**Mr Clarke**—Every institution has to survive at the end of the day; they have to live within their budgeted allocation. This is how the university has responded. I do not know the extent to which there has been a diminution in quality in those particular areas you are referring to; it sounds to me as if there has been, and that would be of great concern to us.

**Senator CARR**—Class sizes have increased by about 20 per cent.

**Mr Clarke**—That is what we would want. We want to have larger class sizes because we have got relatively low student numbers.

**Senator CARR**—So the student-staff ratio increasing by 20 per cent is a good thing, you say?

**Mr Clarke**—Yes. The reason why NTU has this significant cost disability, which we will go into shortly, is that it has relatively low student numbers.

**Senator CARR**—We were told that the number of some departments has been withdrawn, so the student-staff ratio there is considerably improved under your circumstance by not having any teachers. Is that a good thing?

**Mr Clarke**—No. What I am saying is that for a class that is to be run, you want to have the optimum number of students in that class. We do not have the optimum number.

**Senator CARR**—There is a difference here between viability and program offering. The submissions we are receiving say that the breadth of programs, the depth of programs, and the qualifications of staff have declined. We have a situation here quite clearly where this university is under considerable strain.

**Mr Clarke**—It is under strain, I agree with that.

**Senator CARR**—Considerable strain, I put to you, and this is directly related to those policy decisions, taken in Canberra, to reduce the operating grants—the public contribution to those operating grants—by six per cent in real terms.

**Mr Clarke**—Of that order, yes. We do not know whether the Commonwealth is justified in reducing the overall amount for higher education. We do not have that information. What we do know is—

**Senator CARR**—You do not have a view on such an issue?

**Mr Clarke**—We have a view about NTU, and what we do know about NTU is that they are receiving an insufficient allocation. We are not in a position to know the size of the cake; the share of the cake is what we do know about.

**Senator CARR**—I am concerned about the effect of those policies on the capacity of people in this Territory to receive a reasonable education and to have an opportunity to enjoy a reasonable education. On the evidence presented to us, it seems to me that that opportunity is being reduced. Would you agree?

**Mr Clarke**—Yes, I think it is true that it is being reduced. That is true.

**Senator CARR**—The other issue that has been presented to us is the question of the disability allowances.

**Mr Clarke**—Yes.

**Senator CARR**—It is argued that the Northern Territory government presents a different scale of disability allowances for the different sectors of education.

**Mr Clarke**—Yes.

**Senator CARR**—It is put to us that there is a figure of 50 per cent primary, 42 per cent secondary, 72 per cent in vocational education, and 20 per cent in higher education. Can you explain to us how those differentials were determined?

**Mr Clarke**—Yes. I actually have a piece of paper here which it might be useful—

**Senator CARR**—Would you like to table it?

**Mr Clarke**—Yes. It will be useful for me to point to a couple of lines in this. Let me say that this information is based on the Commonwealth Grants Commission's assessments. You are probably aware that they undertake reviews of financial capacities of all jurisdictions and they undertake quite detailed studies every five years. They are the recognised experts in determining whether or not governments have the capacity to be able to provide statewide services at an appropriate standard. What I have sought to do is to extract the information for a couple of areas, and the piece of paper I have given you there is for secondary education and vocational education.

If you turn to the vocational education and training page, which is the last page of what you have, and go down to the fourth line, it is within the section 'scale effected expenditure'. What the Grants Commission is saying is that institutions that are small suffer from diseconomies of

small scale, in that their fixed costs cannot be spread over a large number of units. In the TAFE sector, the Grants Commission has assessed that the Territory has a 20 per cent disability.

**Senator CARR**—Is it TAFE or higher ed, do you mean?

**Mr Clarke**—That is TAFE. The Grants Commission has said there is a 20 per cent disability just for scale. Our belief is that that figure is too high on the higher education side, because the TAFE sector does include a number of organisations that are not like NTU. So we do not think 19 per cent is the right figure, but certainly around 10 per cent is the right order of magnitude.

Moving further down, there is a large group of disability factors there under ‘institutes’. There is dispersion, the cost of providing services to a population that is dispersed over a large area; and there are input costs. The next one is the most important of the lot in the case of NTU. This is what they call service delivery scale. That refers to the fact that in TAFE and in schools there are a number of class sizes that are well below the optimum size. There has been a decision taken about the range of courses that needs to be offered, but because the population demand is small, it means that the number of students per class is small. In TAFE, the commission has assessed the Territory as having a disability factor of only 10 per cent. I am absolutely certain that that is far too low. Nevertheless, that is what the commission has assessed in respect of TAFE.

Moving down to the next one, which is the very large factor of 1.52, sociodemographic composition. the commission has found that the Territory has a relatively large number of students per capita. It also has a large number of students in the disadvantaged category, because we have a large number of Aboriginal students. So the commission has assessed that we need to spend 52 per cent more per capita in order to provide TAFE services of the same standard as the states. As far as NTU is concerned, that figure would be dramatically lower. On the higher education side, we have very few Aboriginal students. With EFTSU concerned that would be lower. The 20 per cent figure is a per student figure. So we want to discount that factor.

**Senator CARR**—Have you had any discussion with the Commonwealth as to the methodology you have used to put together these calculations?

**Mr Clarke**—I have not discussed it with DETYA, but we will.

**Senator CARR**—How long has this model been operating, of 50 per cent primary, 42 per cent secondary, 72 per cent VET and 20 per cent higher education?

**Mr Clarke**—Many years.

**Senator CARR**—So in the many years you have not sought to discuss these matters with DETYA?

**Mr Clarke**—We have sought to discuss them, but DETYA is not convinced.

**Senator CARR**—They are not convinced about the discussion or not convinced about your figures?

**Mr Clarke**—I think about the figures. They agree that there is a disability. What they do not know is what the size of that factor should be. I must admit that this more recent appreciation that we have does provide pretty powerful evidence to us that our disability factor should not be 20 per cent but closer to 40 per cent.

**Senator CARR**—And that is the basis for your claim for additional money, is it?

**Mr Clarke**—That is right; a larger share of the cake.

**Senator CARR**—The issues that have arisen in regard to international education: I am sure you are aware of the controversy that has been generated within the international export industry about the question of standards and quality assurance. Have you observed the comments made in the submissions concerning those issues? You are the regulating authority—

**Mr Plummer**—I have observed the comments, yes.

**Senator CARR**—Are you able to comment on the claim regarding the reduction of contact hours below the rate specified, international student visas, the breaches of promise in regard to institutional support, failure to meet promised educational standards, problems that are particularly acute amongst Asian students, the suggestions by Dr Toyne about claims of deficiencies in the breadth, depth and quality of programs?

**Mr Plummer**—No, we are not able to comment at the moment, but we have asked a question of the university.

**Senator CARR**—These are not new issues, presumably. The letters and various other documentary evidence—

**Mr Plummer**—They are new to me.

**Senator CARR**—The question arises of the level of accountability the university has towards the Territory educational authorities and the level of accountability to the Commonwealth. The vice chancellor says there needs to be further deregulation. I wonder how adequate you think your level of supervision is of the public moneys actually expended in this institution and how onerous are the accountability requirements to the national parliament?

**Mr Clarke**—I am not sure about how onerous the requirements are to the national parliament. I am told that they are onerous. The part we are responsible for is in respect of TAFE.

**Senator CARR**—But you are not responsible for higher education in terms of the university's operations for international students? You have no responsibility there?

**Mr Clarke**—I know nothing about the international students, I have to say.

**Mr Plummer**—I should just add—

**Senator CARR**—Could we benefit from a review of those statutory lines of accountability?

**Mr Clarke**—They are relatively clear, I would have thought. The Northern Territory government is responsible for TAFE. The Commonwealth is predominantly responsible for higher education. The Territory government has a great interest because higher education is so important to the social and economic development of the Territory.

**Senator CARR**—It is just that these claims are new to you, and I am wondering: how thorough is your supervisory capacity at this university?

**Mr Plummer**—Because they are new, we have not had a chance to pursue them. If claims were presented to us, then we would be asking the university for a response for that in the first instance. I have to add that none of those claims have been presented to me in the time I have been the CEO of the Department of Education.

**Senator CARR**—Thank you, Mr Plummer, but these are public submissions put to a Senate inquiry. I understand they have been on the web. Most other submissions are read quite thoroughly by state authorities, by journalists, by a whole range of people interested in higher education, but it does not seem that they are read by the Territory education authorities. Would that be a fair conclusion to draw?

**Mr Plummer**—No, it would not. I made the point to you earlier we will be pursuing the claims made in that.

**Senator CARR**—Thank you very much.

**Senator TIERNEY**—In terms of the role you do play in relation to the Northern Territory University, do you get involved at all in the profiling process, which is where DETYA comes up and discusses what proportions of the courses are on what? Obviously your government would have an interest in the way in which the university develops—which faculties get larger, what new areas they might go into. Do you actually get involved in that profiling process?

**Mr Plummer**—We do. It is a new experience for me, I might add, but it is an area where we do have some involvement. Part of the reason for the consultancy that is now under way is precisely as a result of having some exposure to the profiles work of last year and this year.

**Senator TIERNEY**—In terms of the future development of the university, which areas would you like to see them emphasise, develop further or establish in terms of the needs of the Northern Territory economy?

**Mr Plummer**—It is the dilemma of the range of courses that we would want to see here versus the costs of having some of the specialties we might also like to see; for example, medicine. I would like to take that on notice. I can give you some immediate responses: nursing and education—in other words, teacher education—are clearly two major areas. Horticulture and aquaculture are major areas. IT and business development is another area of major interest to us. But if you want me to go into the fine detail, I would want some more time.

**Senator TIERNEY**—Perhaps you could provide that for us on notice and send it to the committee. You suggest in your submission the optimum strategy for NTU is increasing student numbers. How realistic is that as an objective in terms of what you perceive perhaps as the unmet demand in the Northern Territory? Is there really much scope for increasing it locally? The other sources are, I suppose, more from interstate—how realistic is that?—and also increasing overseas numbers. Could you comment on those strategies for actually developing a larger institution and getting some of these economies of scale?

**Mr Clarke**—The report that Peter spoke about will hopefully give some revealing information about whether or not there is some additional demand that we can tap into. But instinct tells me that we will not be able to go much further with the local demand. Similarly, I do not think we can have much interstate demand unless we develop some special areas of expertise. So the area that is most likely to offer hope is in the international side.

**Mr Plummer**—There is one additional area where, over time, we would hope to provide more local students, and that is from the department itself. Compared with other states, we have the lowest retention rates for years 11 and 12. If we can increase those retention rates, those students would be potential students for the university.

**Senator TIERNEY**—Over the last five years, total university revenues have gone up, and a lot of that is due to opportunities for private sector involvement, which I assume would tend, because of your isolation, to be more limited. I believe the university gets about 25 per cent from the private sector. In terms of expanding that area for getting funding into the university, do you see any potential future growth in that area from Territory government sources? In other words, could the Territory government perhaps be more involved with the university in terms of consultancy and other project work which is naturally the part of government?

**Mr Clarke**—Yes, I think there is a capacity for the government to make greater use of the university. How significant that is, I do not know, but there is an opportunity there that we are aware of; in fact we have been aware of it for some time. We try to direct some work to the NTU if we can.

**Senator TIERNEY**—Is there a strategy in terms of developing a better and more effective interface between the Territory government and the university in terms of mutually beneficial work?

**Mr Clarke**—There is been a fair amount of attention given to a discussion between the NT government and the university. I cannot say that, as yet, a coherent strategy has been developed.

**Senator TIERNEY**—You mention in your submission the need for the NTU to offer more geographically dispersed services, particularly in terms of the indigenous community. There are difficulties in doing that obviously. Could you perhaps go through some of those? What are the particular difficulties for this university in becoming more geographically dispersed to get services closer to people?

**Mr Clarke**—Obviously there are physical barriers in terms of distance and access. There are financial barriers in that if you do provide the services there, they are more costly because of the

physical remoteness but also because of the cost per student. I think that is probably about it, actually.

**Senator TIERNEY**—We found in Tasmania last week that there is a tendency to focus everything on Hobart, and perhaps there is a need to move out a little more into the other settlements. Is there any strategy to develop, perhaps in the larger centres, more of a university presence?

**Mr Clarke**—The university itself does have a presence; it certainly has a presence in Alice Springs, I am not sure where else it has a presence—on the higher ed side, that is. It has a significant presence on the TAFE side. I think it is a question of resources, getting back to what the senator was saying—

**Senator TIERNEY**—When you say it has a significant presence on the TAFE side, what range of settlements are you talking about?

**Mr Clarke**—You probably should direct that question to the university, I am sorry. I know that they do offer courses on some of the settlements. Their staff travel out to the communities to offer TAFE type courses. Just how extensive that is I do not know.

**Senator TIERNEY**—We do find in other places that if you do have a TAFE presence you can sometimes put in a small university presence, often via an online capacity into the main campus. That is what I was referring to there.

**Mr Clarke**—I have to say that, in most of the truly remote communities, the opportunities for all of that would be very limited.

**Senator TIERNEY**—I understand that. Thank you.

**Senator CROSSIN**—You are suggesting that an optimum strategy for the future of the Northern Territory University is actually to increase student numbers. In fact, in your submission you state that of the 50 year 12 graduates who attained the highest tertiary entrance rank score only 10 or 20 per cent of those have chosen to study at the Northern Territory University. Does the NT government have a strategy to retain those students once they have completed year 12?

**Mr Plummer**—There is no formal strategy, but as we have become aware of the figures, we realise that we need to develop a strategy in conjunction with the university. It is very early days, but we jointly realise that this is an issue. There are two issues, in fact. There is the issue of the students going interstate. Half of them, at least, need to go interstate because there is no course work available for the kinds of careers they want to pursue. The other half, it would seem, could stay here; but within that there are personal choices as to why those students might have gone and we have not got behind that detail. So that is the one side. The other side is, as I mentioned earlier, the lifting of the retention rate for year 11 and 12s in our own high schools. Out of that will float some issue. Some of those will want to go interstate for study, for a whole lot of reasons. Even just lifting that volume should increase the numbers. Whether it is enough to make a significant difference to the university's viability, we do not know.

**Mr Clarke**—I think the key element of the strategy to increase the student numbers is the fact that the Territory government provide that extra support. It is about making sure the university can offer as wide a range and depth of courses as possible.

**Senator CROSSIN**—Mr Clarke, when you say the Northern Territory government provided that extra support, are you referring to the extra \$7 million last year?

**Mr Clarke**—Yes.

**Senator CROSSIN**—My understanding is that that money has been used for salary increases or in fact was just a transfer of assets in relation to the land that was ex Tiwi Primary School, and the \$7 million is to be used over a three-year period. But surely the number of year 12 students choosing to study at the Northern Territory University and the low rate of those staying here in the Territory has not suddenly blossomed over the last 12 months.

**Mr Clarke**—That is true.

**Senator CROSSIN**—Why has the NT government been so reluctant to do something about it up until now?

**Mr Clarke**—It is a Commonwealth responsibility.

**Senator CROSSIN**—Is it the Commonwealth's responsibility to ensure that the maximum number of year 12 students who graduate from secondary schools in the Northern Territory stay here?

**Mr Clarke**—No, I think I agree that that is not the case. But part of the solution to having more students stay at the Northern Territory University is to provide a greater range and depth of courses.

**Senator CROSSIN**—I understand when that \$7 million rescue package was given to the Northern Territory University last year, the chief minister at the time said that the cuts that have occurred to the university have gone as far as they need to go. Has the Northern Territory government written to Dr Kemp about these sorts of problems and the inadequacy of the level of funding?

**Mr Clarke**—I am sure we have.

**Senator CROSSIN**—Is that yes you have, or are you not sure?

**Mr Clarke**—The consultancy is an outcome of the discussions with the Commonwealth about the particular position the university finds itself in. Part of the issue for us is not wanting to pre-empt some of those findings. One of the major aspects of that consultancy is to test the funding levels of this university.

**Senator CROSSIN**—I am not talking about the consultancy that was initiated late last year. These are comments that were made in April 2000. The operational funding cuts to this

university started way back in 1996. We have seen English go, people have come to me complaining that they cannot do certain majors in particular areas. These are not problems that have been around in just the last 12 months. Have you written to Dr Kemp about the funding problems? Do you have a strategy to make sure that more year 12 students stay at the university? In fact, do you have a partnership agreement with the NTU as we were provided with by the University of Tasmania and the Tasmanian government last week?

**Mr Plummer**—No, we do not yet have that. That will be part of the consideration. I was made aware of that partnership agreement earlier this year and have put it on the table with the university.

**Senator CROSSIN**—You also comment about the limited opportunities for the Northern Territory University to attract private sector funding. In one of the submissions we have received today, we found that the Northern Territory government allocates only one-twelfth of the \$36 million it spends on research and consultancies to the Northern Territory University. Therefore, out of \$36 million, only \$3 million is allocated to the NTU for research and consultancies. Is it not true that the Northern Territory government could be doing a lot more to inject that private sector funding into the university?

**Mr Plummer**—Are you talking about public sector or private sector?

**Senator CROSSIN**—Government moneys.

**Mr Clarke**—I think we addressed that before. You might not have been here. I think it is right that we should look at seeing whether we can increase that. There have been discussions with the NTU about these sorts of things.

**Senator CROSSIN**—You are saying that one-twelfth of your \$36 million in previous years has been too low, that you have neglected the academic expertise at the university.

**Mr Clarke**—I do not know the facts. It would require a detailed study to understand the nature of the consultancies that were obtained outside NFU and to see whether NTU has that capacity. Clearly, it is very much in our interests if NTU has got the capacity for us to use them—and we will NTU has the capacity.

**Senator STOTT DESPOJA**—I am actually going to place my questions on notice, but I am curious as to whether or not you know how that—only one-twelfth of the \$36 million being spent at the university—compares with 1996 disbursements. Is that a relative decline in comparison with 1996?

**Mr Clarke**—I cannot even verify the one-twelfth of \$36 million, so I do not know.

**Senator STOTT DESPOJA**—My questions will be on notice, so if you could respond to those.

**CHAIR**—Thank you. That concludes our questions.

[12.40 p.m.]

**SILVESTER, Ms Christine Elizabeth, President, Australian Federation of University Women (Northern Territory Branch)**

**CHAIR**—Welcome, Ms Silvester. The committee has before it submission No. 170. Are there any changes you wish to make?

**Ms Silvester**—No.

**CHAIR**—The committee prefers that all evidence be given in public, although we will consider any request for all or part of your evidence to be given in camera. I point out that such evidence may subsequently be made public by an order of the Senate. I now invite you to make a brief opening statement, and we then will move to questions.

**Ms Silvester**—The Australian Federation of University Women (Northern Territory Branch) has put in a submission which has discussed the cuts to funding that we view as detrimental. We focused on issues that have affected women at the Northern Territory University. We also support the issues raised in the federal Australian Federation of University Women's submission to the inquiry.

Today I would like to add some weight to our submission and briefly discuss how important we see the Northern Territory University as an institution in our community. I have been in the Northern Territory for over 30 years. I was here before the university was thought of, and I am someone who worked very hard to see the establishment of the Northern Territory University. It has really provided the community with access to higher education that it never had before. There was tremendous enthusiasm for the institution and its potential for development in this region of Australia, which historically has not had access to the higher education services which are taken for granted in the rest of Australia.

The university has given us a chance to become a knowledge society or a knowledge community and to have independent thinkers who can contribute to local debate, and it has provided access to training here for many people who are employed and live here. You could say it has given empowerment to a remote community. Some people say living in the Northern Territory is almost like living overseas—we are so different from the rest of Australia—so having a university here which is well resourced is part of the Northern Territory's development and part of it becoming a state.

Before there was a university here, many families had to leave the region when their children reached tertiary education age. Also, many long-term Darwin citizens, who are a very diverse group of people, have accessed education: the indigenous and multiracial families—that is, the Chinese, Greek and Italian families. Prior to this, only wealthy families could afford to send their children away south. In this region, we would particularly like to keep our families here and together, and we would like our young people to be able to remain here to study, live and work. They are the issues that we see as particularly important as an organisation.

**CHAIR**—Thank you very much.

**Senator CROSSIN**—Ms Silvester, you say that 63 per cent of all students starting higher education courses in the Northern Territory are women yet women are very much underrepresented in the postgraduate courses. What are some of the barriers to having women in the postgraduate area?

**Ms Silvester**—I think one of the reasons is that many women who study at the Northern Territory University are mature aged students, so they are coming to education later. They sometimes complete their first degree and then do not have the resources or the time to go ahead into postgraduate courses. Also, for younger women, I think there is an issue with the type of postgraduate course that might be available—sometimes the courses are not being offered.

**Senator CROSSIN**—Are they not being offered, or were they once offered and are no longer able to be offered?

**Ms Silvester**—With the funding cuts, we have had a bit of a brain drain from the university here, so the university's capacity to supervise PhD students has diminished. That of course has affected postgraduate courses. We have lost some very experienced people from the Territory who were PhD supervisors. When students are considering postgraduate courses, they are looking for that sort of quality which I think has diminished over the last few years.

**Senator CROSSIN**—You say in your submission that the cuts to the funding at the university have undermined the status of the university. When you refer to academics leaving the university, what sort of effect do you think that has on the community and its view of the university? Bear in mind that the vice-chancellor told us this morning that the standards of the course offerings were maintained till now but the quality was at risk. What impact does that have on the community?

**Ms Silvester**—I think out there in the community it is a credibility factor. When there are cuts, particularly to the faculties of English, anthropology and some of those courses, then people talk. They are very concerned about the credibility, about whether the courses will be able to offer enough subjects in a unit or in a major to actually allow a student to achieve what they want to achieve. Some of the courses have definitely had severe cuts. That is when you get students thinking that maybe they should be doing the course in a southern institution. I feel that the community is looking at the university from the heady days when it first started and we were all tremendously excited and it was reasonably well resourced. That has diminished and it has affected the morale of the community in the Territory. Again, I would like to go back to saying that that affects families and people in the region; it affects whether people will stay, and it affects our northern development and status as a region in the rest of the Australia.

**Senator CROSSIN**—We heard evidence this morning that only \$3 million of the \$36 million of Northern Territory government funds has been given to the NTU for research and consultancies, that only 20 per cent of year 12 students stay here in the Territory to study at a tertiary level, and that there is limited capacity for the Territory to meet the training needs for the railway or gas and oil projects. Does your organisation believe that the Northern Territory government has done as much as it possibly can to assist the university?

**Ms Silvester**—I could not answer that question, but our organisation, as an international organisation, advocates for more resources to higher education. So we would always be looking for more funding and more resources to go towards the higher education sector. I think there are always ways you can do more. I came in on that last session and there were obviously some ideas coming out there of strategies that the Northern Territory government could take to give weight to what you are saying.

We can always improve things and, through partnerships and relationships, I think there are better ways of doing things. When you look at consultancies, although some of those people receiving those consultancies may not be at the Northern Territory University, they may have studied here and are now running independent consultancies in the community. So it has provided the resources for independent consultancies.

**Senator STOTT DESPOJA**—Ms Silvester, you mentioned that 63 per cent of commencing students in the Northern Territory are women, and then you talk about underrepresentation at the postgraduate level. Is that a disproportionate level of attrition? What are some of the factors you attribute that higher level of attrition to?

**Ms Silvester**—I have already answered some of that question, but I think attrition can have to do with women's positions in society and the fact that they often have many other things to take into account—for example, raising a family, et cetera. You might have been out of the room for that. I also said that a lot of the women were mature aged students, and another reason is the capacity of the university to offer PhD supervisors for the type of PhD coursework that women are interested in. Some of those faculties where women are particularly interested have taken some quite considerable cuts. Those were the sorts of subjects which I was focusing on—politics, anthropology, English and history. That could be a factor, but I guess I am here as a member of the community, and I am not completely au fait with some of the university's statistics.

**Senator STOTT DESPOJA**—Do you have any statistics about the participation rates of indigenous women in higher education in the Northern Territory?

**Ms Silvester**—No, I do not, but I do think this institution has provided a fantastic opportunity for many indigenous women and part indigenous women. Indigenous women are often the mature aged students because they have their children young, and some of those families in the Territory who would never go somewhere else to study have participated and used the university. They are our local community. They have been here a lot longer than other people. So it has been tremendously important for them.

**Senator STOTT DESPOJA**—I am sorry that I repeated some of the questioning of Senator Crossin in relation to the attrition factor. I am aware of some of the general issues affecting women in education and those that are particular to the Northern Territory. To take it one step further, I wonder whether that low level of participation of women in postgraduate courses is a result of the artefact of gender in those various disciplines. You talk about there being certain courses to which women are attracted or traditionally have been involved in, or is it to do with some specific issues against women at this university? I am making sure there are no particular issues, not just related to the disciplines. Are there internal factors, staffing factors or whatever

that may work against women at this institution that might account for those levels of attrition between commencement rate and women being underrepresented in postgraduate level?

**Ms Silvester**—I do not work in this institution but, from my perception, I think the institution has tried very hard not to have those sorts of issues that you might associate with somewhere else. But it can always improve. I guess one of the other reasons why women are underrepresented is just the sheer cost of the HECS fees and the fact that HECS has increased. Women do not have so much disposable income. They come to education. Some of the younger women might be looking on a credibility issue for an institution down south. If they are doing postgraduate courses, they might be looking for credibility about a particular subject they want to follow. But just the disposable income and building up a debt which they may not be able to repay is a huge factor. We have made some comments in our submission about the HECS fees, and I think HECS is definitely an issue. I am not against HECS per se; it is just that the amount of HECS can become really quite considerable now with the increase in HECS.

**Senator STOTT DESPOJA**—In relation to fees, are you aware of the proposed deferred arrangements for postgraduate studies? Do you think that might have an improved impact on the participation rate of women?

**Ms Silvester**—I am sorry, I cannot comment on that. I am not aware of it.

**Senator STOTT DESPOJA**—That is fine. Thank you.

**Senator BRANDIS**—Ms Silvester, I could not help but get the feeling when Senator Stott Despoja was asking you her questions that the implication was that this university has poor results in terms of the involvement of women students. But, as I read your submission, you say that 63 per cent of all students starting degree courses at this university are women. We will come to postgraduate studies in a moment, but undergraduate studies are the lion's share of the courses taken at this university, aren't they?

**Ms Silvester**—Yes.

**Senator BRANDIS**—And indeed at most Australian universities?

**Ms Silvester**—Yes.

**Senator BRANDIS**—To have 63 per cent—

**Senator STOTT DESPOJA**—Are you saying that is what I was saying?

**Senator BRANDIS**—Excuse me, Senator Stott Despoja.

**Senator STOTT DESPOJA**—You are misrepresenting.

**Senator BRANDIS**—I did not interrupt you when you put a number of questions to this witness which were based on false premises. Please allow me to clarify those misleading premises.

**Senator STOTT DESPOJA**—Madam Chair, I raise a point of order: I was not implying that a 63 per cent commencement rate was anything but very good comparatively. I was talking about postgraduate underrepresentation of women.

**Senator BRANDIS**—Allow me to finish please. A 63 per cent commencement rate at undergraduate level, which represents the lion's share of university courses offered by this university and indeed by most Australian universities, is an excellent outcome, is it not?

**Ms Silvester**—Absolutely, I agree.

**Senator BRANDIS**—And you would wish to join me in congratulating this university for such an outstanding outcome for women at that level?

**Ms Silvester**—That is correct.

**Senator BRANDIS**—Let me turn to the statements about postgraduate courses. Senator Stott Despoja suggested that the observation that women are underrepresented at postgraduate level compared to the 63 per cent commencement rate at undergraduate level suggested there was an attrition rate. Can I suggest to you that that is not an attrition rate at all? An attrition rate represents dropping by the wayside. Underrepresentation at postgraduate level merely means that a smaller proportion of women are choosing, for whatever reasons we can explore, to undertake postgraduate courses. Do you agree?

**Ms Silvester**—Yes.

**Senator BRANDIS**—That is not an attrition rate at all, is it?

**Ms Silvester**—Well, a university values itself on how many students it does attract in the postgraduate courses too, so I think it is an important factor.

**Senator BRANDIS**—I understand it is an important factor, but I am just quibbling with the rather tendentious use of the phrase 'attrition rate', which implied falling by the wayside, when we are talking about two completely different things: undergraduate courses and postgraduate courses. They are two entirely different things.

**Ms Silvester**—Yes.

**Senator BRANDIS**—You say that women are underrepresented in postgraduate courses. Does that mean there is fewer than 63 per cent of women or fewer than 50 per cent of women? Or is that conclusion arrived at by some other statistical comparison and, if so, what?

**Ms Silvester**—As I understand it, it would be across the board looking at statistics of where women are represented. I did not prepare this submission.

**Senator BRANDIS**—So that is not a fair question.

**Ms Silvester**—No, I am sorry. I cannot go into specifics.

**CHAIR**—That concludes our questions. Thank you for your appearance today.

**Committee adjourned at 1.00 p.m.**