

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the Higher Education Legislation Amendment (2005 Measures No. 4) Bill 2005

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A submission by the
Council of Australian
Postgraduate Associations

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Council of Australian Postgraduate Associations Incorporated

The Council of Australian Postgraduate Associations (CAPA) welcomes the opportunity to contribute to the Senate Inquiry into the *Higher Education Legislation Amendment (2005 Measures No. 4) Bill 2005*. We value this opportunity for public consultation, and submit the following response on behalf of all students enrolled in Australian postgraduate degrees.

CAPA is the national peak body representing Australia's 257,000 postgraduate students. It has affiliated postgraduate associations in 34 of Australia's public higher education institutions and in all States and Territories.

CAPA has a number of concerns about allowing a private foreign university to operate in Australia. Specifically, we have provided a detailed response below about our concerns regarding the proposed operation of a campus of the American University - Carnegie Mellon University (CMU) in Australia:

- The awarding of American-only degrees. Whilst most would argue that there is value in an American degree in terms of marketing to overseas students, this is the role of the American Government not the Australian Government. We are concerned that this is effectively devaluing an Australian degree awarded at one of Australia's numerous quality universities.
- The introduction of greater competition for funding among the three universities already operating in South Australia. We are especially concerned about the South Australian Government spending public funding to help set up a foreign private university, particularly at a time when federal funding to the university sector is substantially shrinking.
- The idea of 'elite' universities existing in Australia. CAPA believe all universities should be properly funded to offer both research and teaching across a broad range of areas. Collaboration between institutions should be properly funded to ensure the major areas of study are offered.
- The implementation of voluntary student unionism (VSU) that will possibly encourage enrolment at Carnegie Mellon University in South Australia (CMU (SA)). If CMU (SA) bundles a student services fee with tuition fees studying there may appear attractive to local students and over time, this will take students away from the three publicly funded South Australian universities. As CMU (SA) will be a Table C provider and excluded from such commonwealth funding then CMU (SA) may be able to levy a student services fee. CAPA believes that all students are entitled to the broader experience a university has to offer through properly funded student services.

In our submission, we address the issues that are most relevant to our postgraduate constituents, as well as providing additional information on areas of

particular importance to postgraduate students. We have listed our recommendations to the Senate Inquiry as follows:

List of Recommendations

Recommendation 1: That Carnegie Mellon University in Australia offer both US and Australian postgraduate degrees and locally accredited undergraduate degrees.

Recommendation 2: That access to any form of government funding should not be made available to foreign universities unless they are offering Australian degrees.

Recommendation 3: That private universities operate under the same legislative and governance frameworks as public universities. In particular, there should be further transparency and accountability checks made by AUQA.

Recommendation 4: That a national universities ombudsman be appointed and funded by the Commonwealth after consultation with the states. That such an office include the power to investigate ancillary fees and charges and to conciliate complaints.

Recommendation 5: That public funding planned for Carnegie Mellon University in Australia is offered to the existing South Australian universities.

Recommendation 6: That Carnegie Mellon University in Australia collaborate with other universities to offer the five study areas of Science, Engineering, Technology, Social Sciences and Humanities.

Recommendation 7: That a system is established that financially rewards collaboration between universities. Such collaboration must include shared access for honours-level, postgraduate researchers and academic staff to resources and infrastructure required for research and teaching.

Recommendation 8: To withdraw / amend the current discriminatory VSU legislation to allow the charging of a student services fee to properly fund student services.

Awarding American-only Degrees

The Premier of South Australia, Mr. Mike Rann has made it quite clear that he is interested in the overseas student market. He is offering \$20 million over the next four years and will provide space for the programs being offered.¹ It appears that offering degrees to local students is secondary to the main game – a specialised institution offering expensive degrees to overseas students or as it is colloquially known ‘cash cows’. Given that an amenities fee is charged at CMU (USA) to cover students services, but will not be allowed in Australia if VSU goes ahead, it is also hard to see how other than the very wealthy local student could afford to study at CMU (SA). It would seem that CMU (SA) is being set-up as an ‘elite’ university. The Department of Education, Science and Training (DEST) has made mention of its interest in having elite universities operate in Australia, so it appears that a foreign elite university will be the first.²

CAPA believes that any higher education provider operating in Australia must offer Australian degrees. Initial negotiations with Carnegie Mellon were that it would offer Australian degrees but that is now not the case and CMU (SA) will only confer American postgraduate degrees.³ Many Australians understand the benefits of an Australian degree, but how many understand the benefits of an American degree? However, overseas students wanting to market themselves back home or in other countries where American degrees are valued understand the benefits of an American degree. Unfortunately, the non-awarding of Australian degrees whilst awarding American degrees devalues Australian degrees. A reasoned perception overseas would be that the Australian Government believes American degrees are better. The value of American degrees will be in overseas markets and not in Australia.

If local students obtain American degrees then they will be subjected to the same checks and balances as overseas students looking for opportunities in Australia – not an easy path for them. If local students obtain a university qualification without any surety of what it will mean for their future opportunity in Australia, they would be foolhardy to undertake a degree at CMU (SA) unless they were planning to pursue opportunities overseas. This would result in the exporting of Australia’s skills – another cycle of ‘brain drain’. The South Australian

¹ Mike Rann, ‘*US campus for Adelaide*’, *The Australian*, 1 June 2005, available online at: <http://www.theaustralian.news.com.au/printpage/0,5942,15467545,00.html>

² DEST (2002), Ministerial Discussion Paper – An Overview Paper, Higher Education at the Crossroads, Canberra, April pp. 24-25.

³ Higher Education Legislation Amendment (2005 Measures No. 4) Bill 2005 (bills digest 49, 2005-06), available online at: <http://www.theaustralian.news.com.au/printpage/0,5942,15467545,00.html>.

Government offering support for the awarding of American degrees resulting in the exporting of skills is a backward step for the growth of the Australian economy. Whilst CAPA has many reservations about allowing CMU to operate in Australia, at the very least, local students must be offered Australian degrees.

Recommendation 1: That Carnegie Mellon University in Australia offer both US and Australian postgraduate degrees and locally accredited undergraduate degrees.

Recommendation 2: That access to any form of government funding should not be made available to foreign providers unless they are offering Australian degrees.

Public funding for Private universities

The GO8⁴ acknowledge the 'significant diversity' currently in HE and stress the need to facilitate differentiation in a regulatory environment that is equally applied to public and private providers. Reporting and accountability mechanisms of private providers are not the same as public universities and this is of concern if private providers are able to access public funding.

The Victorian State Education Minister in response to foreign universities operating in Victoria, has ruled out giving public funds to private universities. The governing bodies of public universities are guided by the requirement to act in the public interest whereas private universities are guided by the requirement to act in the interest of their shareholders.⁵ In terms of accountability procedures even the private providers recognise that they must undergo some form of Federal Government audit if they are involved with Federal funds. Also, as well as the process being time consuming they recognise that it has proved very valuable in lifting the standards, redesigning curricula and developing new courses in response to new needs.⁶ Roger King who co authored the Guthrie report agrees that the need for careful scrutiny was to ensure students were looked after and that quality was maintained.⁷

The amendment to create a new category of self-accrediting higher education providers - Table C providers (overseas higher education institutions with Australian branches) is to allow foreign universities to operate in Australia. Although meeting the requirement to operate as a Table C provider, CMU is principally a private university and it is the position of CAPA that public funding should not be extended to private providers because of the lack of provision to ensure the effective use of this funding. CAPA is also concerned about the equity implications of providing public funding to private foreign institutions that may not operate under the same equity and equal opportunity principles as public universities. In particular, CAPA strongly opposes the re-allocation of funding away from public universities to private providers.

⁴ Group of Eight, Media Release, '*Diversity, competition and quality health for higher education*', 4 March 2005.

⁵ Shane Green & David Rood, '*State set to get US private uni*', The Age, 16 June 2005, available online at: <http://www.theage.com.au/news/National/State-set-to-get-US-private-uni/2005/06/15/1118645872292.html>.

⁶ Dr. Gerard Moore cited by Geoff Maslen in Campus Review (2005), *Non-uni providers to be subject to federal audits*. Vol. 15, No. 13. 6 April, p. 3.

⁷ Professor Roger King cited by Geoff Maslen in Campus Review (2005), *Private sector institutes should face regular quality checks: King*. Vol. 15, No. 14. 13 April.

CAPA believes that a national university ombudsman is needed to ensure that public and private universities meet appropriate auditing standards and are subject to adequate measures of probity. Complainants could be assured that the outcomes of their complaints were objective.⁸

Recommendation 3: That private universities operate under the same legislative and governance frameworks as public universities. In particular, there should be further transparency and accountability checks made by AUQA.

Recommendation 4: That a national universities ombudsman be appointed and funded by the Commonwealth after consultation with the states. That such an office include the power to investigate ancillary fees and charges and to conciliate complaints.

⁸ CAPA submission (2002) – Ministerial Review of Higher Education, p. 64, available online at: <http://www.capa.edu.au/frameset.html?/papers/index.html>

World Class and / or Specialist Institution

CAPA is sceptical about the notion of aspiring to at least one 'world class university' in Australia.⁹ We require a world class university system, - not just a world class university. The government mentioned in *Building University Diversity*¹⁰ that modelling our provision of higher education on the USA in terms of world class universities might be feasible. Unfortunately, Australia does not have anywhere near as large or as highly diverse a sector as the USA which some argue can only come about when you have such a large population as the USA.¹¹ The number of affluent people and tax-incentives that exist in the USA has created a culture of encouraging private endowments to universities, of which CMU (USA) is a recipient.¹² That situation does not exist in Australia as the resource base of institutions from both countries is entirely different and trying to create it by drawing away public funds from other universities is not the answer. CAPA believes that all universities should be properly funded so that they can all continue to offer quality research and teaching¹³.

CMU (SA) is proposing to offer two specialist Masters degree courses only and the offering of public funding by the South Australian Government to CMU (SA) will pose a threat to the funding base of the three South Australian universities as they compete for shrinking government funding and a share of the overseas student market. The Democrats education spokesperson for higher education, Natasha Stott Despoja is concerned about the possibility of profits going back to the USA and believes the South Australian Government should be supporting the three existing universities instead of providing funding to support the programs

⁹ DEST (2002), Ministerial Discussion Paper, 'An Overview Paper, Higher Education at the Crossroads', April.

¹⁰ DEST (2005), Issues Paper, Building University Diversity: Future approval and accreditation processes for Australian higher education, Canberra, May.

¹¹ Andrew Nette quoted in Guy Healy (2005) *Diversity & Deregulation*, *Campus Review*, 30 March, Vol. 15, No. 12. P. 8.

¹² History of Carnegie Mellon, available online at:
http://www.cmu.edu/home/about/about_history.html

¹³ CAPA (2002) *Submission to DEST - Ministerial Review of Higher Education*, Melbourne, p. 4, p. 41, pp. 47-48.

and providing infrastructure for a foreign university.¹⁴ CAPA strongly believes that public funding should not be made available to this institution and that the funding should be directed to support the existing publicly funded South Australian universities.

CAPA has already expressed concern in our submission to DEST *on Building University Diversity* of the suggestion raised several times by DEST that the National Protocols accommodate specialised institutions. There is already considerable depth and breadth of course offerings in the current higher education system. CAPA's concern (that the government may wish to concentrate research in a select number of universities) appears to be warranted with the first of these select universities to go ahead in the form of CMU (SA) campus. As a respected research institution in the USA, it is expected that over time CMU will expand its offerings in Australia to include a larger research component. However, the funding pool is not infinite and as CMU (SA) competes for funding, then there is less funding for other universities to conduct research. CAPA believes that funding should be spent on the existing South Australian universities to expand their research programs.

Recommendation 5: That any public funding planned for Carnegie Mellon University in Australia is offered to the existing South Australian universities.

¹⁴ Senator Natasha Stott Despoja, Press Release Number: 05/262, 19 May 2005, '*Can SA afford a fifth uni?*' Available online at:

http://www.democrats.org.au/news/index.htm?pres_id=4592&display=1.

Minimum discipline areas of Research

According to the Guthrie Report, Australia's higher education sector is one characterised by great diversity and quality. In Australia, higher education (HE) is provided by:

- 36 public universities;
- four private universities;
- four self-accrediting non-university not-for-profit HE institutions;
- a range of public non self-accrediting HE providers (eg. Australian Defence Forces, some offerings from TAFE), and
- approximately 100 non self-accrediting private HE providers.¹⁵

From these criteria, a university (as distinct from other non-university HE providers) can be categorised by subject delivery across a range of disciplines, the engagement of teaching and learning aimed at a particular level of knowledge and inquiry, and a link between teaching and research through a culture of sustained scholarship. It is the range of knowledge, the level of knowledge and the informing of teaching by research that has produced the high quality university system that exists in Australia. It is also these criteria that allow Australian universities to engage in a variety of cross-disciplinary teaching and research¹⁶.

If one of the functions of a university is to serve the broader community, this means being able to engage in a broad range of issues and to draw knowledge from a broad range of disciplines. CAPA believes that the breadth of research that a university should offer include at least the five fields of study of Science, Engineering, Technology, Social Sciences and Humanities to minimise the risk of crucial research areas missing out¹⁷. Collaboration between universities in areas where it would not be feasible for one university to offer this number of disciplines such as regional areas would be necessary. CAPA believe that if CMU (SA) are accessing government funding, then they must collaborate with other universities in order to offer the five fields of study as listed above.

¹⁵ Guthrie, G., Johnston, S. and King, R. Further Development of the National Protocols for Higher Education Approval Processes, a report for the Department of Education, Science and Training, 2004. P. 5.

¹⁶ CAPA submission (2005), Building University Diversity: Future approval and accreditation processes for Australian higher education, Melbourne.

¹⁷ CAPA (2002) National Research Priorities Consultative Panel, Melbourne. p. 3.

Recommendation 6: That Carnegie Mellon University in Australia must collaborate with other universities to offer the five study areas of Science, Engineering, Technology, Social Sciences and Humanities.

Collaboration properly funded

The University of Flinders has been in consultation with CMU (USA) about collaboration in teaching and research and the South Australian Premier supports this. However, there is no mention of how this would be funded. Such collaboration would need to be encouraged through financial reward incentives for the universities participating in collaborative activity. Of benefit is the proposal that Flinders University may be able to co-locate with CMU (SA) in the Torrens Square Building on Victoria Square that would overcome one of the logistical issues of collaboration¹⁸.

However, CAPA is concerned by the absence of funding mechanisms to foster collaboration in teaching. Not only does the current funding model need to be modified to reward, rather than penalise, universities for teaching collaboratively, additional funding needs to be available to encourage universities to tackle the considerable logistical difficulties entailed in establishing collaborative teaching relationships across universities.

Industry funding to facilitate collaboration in disciplines should also be encouraged. For example, industry funding has already successfully facilitated collaboration in the teaching of disciplines such as earth sciences, metallurgy and mining sciences.

CAPA acknowledges that the duplication of research and teaching infrastructure at every university is not necessarily a desirable outcome of every university. Access to these resources and infrastructure for ALL researchers (honours-level, postgraduate researchers and academic staff) would allow ALL universities to participate in a range of research without wasteful duplication of infrastructure needing to occur. CAPA believes that institutional collaboration to teach disciplines with smaller student numbers is vastly preferable to the loss of those disciplines.¹⁹

Recommendation 7: That a system is established that financially rewards collaboration between universities. Such collaboration must include shared access for honours-level, postgraduate researchers and academic staff to resources and infrastructure required for research and teaching.

¹⁸ Students' Association of Flinders University (SAFU) Media Release, '*Labor shuns students to prop up uni for the rich*' 17 May 2005, available online at: <http://www.flinders.edu.au/news/articles/?mr050516>

¹⁹ CAPA (2003) submission, The Ministerial Discussion Paper on varieties of excellence: diversity, specialisation and regional engagement. P. 5

Compulsory Fee for Student Services

CMU (USA) charges a fee for student services as CMU (USA) recognises that many resources need to be available to help make the most of university experience in terms of social growth, wellbeing and the student's future²⁰. Current legislation before the Australian Parliament regarding VSU and the amendment to the Education Services for Overseas Students (ESOS) Act, if passed, will allow universities to charge a services fee to international students but not to local students as a fine will be imposed and will affect their Commonwealth Grant funding. CAPA believes this will be a discriminatory and inconsistent practice against local students, but our understanding is that it will apply to those universities that have access to the Commonwealth Grant Scheme and other Higher Education Support Act (HESA) grants, Commonwealth scholarships and the Commonwealth Supported Places or (HECS-HELP) scheme²¹.

It is not clear how the funding of student services will legally affect foreign universities. If they charge a student services fee as is the current practice in CMU (USA) then local students drawn to a university that will offer full services will be restricted to those who are able to afford the expensive fee. These same students will receive the student services that students at public universities now receive but publicly funded students will not receive those services if the legislation is passed.

Whilst the Flinders University Vice Chancellor welcomes CMU to South Australia and is negotiating collaboration, the Students Association is vehemently opposed to the idea of the state government contributing \$20 million to help establish CMU (SA). They are concerned that the government is funding a private foreign university to offer degrees to select clientele but cannot find any funding to support student unions that are facing extinction²².

CMU (USA) recognises the value of subsidising student services for all but unfortunately the proposed South Australian campus may have to discriminate on the basis of local students. CAPA believes that all students should have the right

²⁰ Carnegie Mellon University, Division of Student Affairs, available online at:
<http://www.studentaffairs.cmu.edu/theword/campus/division.cfm>

²¹ Parliamentary Library, Bills Digest no. 49 2005-06, Higher Education Legislation Amendment (2005 Measures No. 4) Bill 2005, available online at:
<http://www.aph.gov.au/library/pubs/BD/2005-06/06bd049.htm>

²² (SAFU) (2005) Media Release - *Labor Shuns Students to Prop Up Uni for the Rich*, May 17.

to student services and that a fee to fund such services should be allowed to be charged by universities regardless of where the student comes from.

Recommendation 7: To withdraw / amend the current discriminatory VSU legislation to allow the charging of a student services fee to properly fund student services at all universities.

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