

The World of Higher Education Podcast

Season 1, Episode 1: Australian University Accord

Guest: Andrew Norton, Professor in the Practice of Higher Education at the Centre for Social Research and Methods at the Australian National University

Alex Usher: Hi everyone. I'm Alex Usher, and this is the very first episode of The World of Higher Education. This podcast is dedicated to telling you about higher education around the world. Each week, we will have guests from different countries discussing trends, developments, and news from their region.

Debates in higher education are remarkably similar the world over, but different structures, histories, and national values means that approaches and solutions can vary a lot. So, this podcast and my conversation with guests is built on a simple premise: we can all learn from each other.

The World of Higher Education is designed for academic and administrative listeners who want to gain insights into other higher education systems, policy developers and enthusiasts who are curious how other countries approach postsecondary issues, and students who are researching other systems or who may even be thinking about studying in other countries. Our hope is that it won't matter where you live now—you'll learn some new things every episode.

Today's guest is Andrew Norton, Professor in the Practice of Higher Education at the Centre for Social Research and Methods at the Australian National University. Andrew has been a long-time observer of the higher education scene in Australia. For many years, he wrote the Mapping Higher Education in Australia, which was the inspiration for Higher Education Strategy Associates' State of Post-Secondary Education in Canada. I'm so pleased that Andrew could be the inaugural guest for this podcast.

Andrew and I talk about the new Labour Government's "Universities Accord". In a characteristically Australian form of policy-making, the government has created a commission of non-politicians to come up with answers to some key questions facing the sector. A lot of what this Accord is about is getting rid of a decade or so of Liberal party policy, in particular the Job-Ready Graduates program, which, among other things radically increased the cost of studying in the humanities relative to other fields of study in an attempt to dissuade students from enrolling in these fields. But it will tackle other issues, like casual employment in the sector.

In the past, these kinds of commissions, such as the West Commission, which ushered in a tiered fee system and the Bentley Commission, which created the demand-driven funding system, have had enormous impact on the system. I have my doubts that this one will be anywhere as momentous: the system has gone about as far as it can in terms of extracting money from domestic students and it isn't going to turn off the tap on international students any time soon. And, like many countries, there isn't a whole lot of new government money that can be expected. But as Andrew points out, unlike previous commissions, this one isn't led by sector experts but by worthy citizens and there are a lot of issues in the commission's writ beyond finances. So, there is room for many surprises here.

Australia's higher education system is often more prone to large-scale innovation than that of other countries. That's what makes it such a fascinating case, and why it's such a great place for this podcast to start its journey around the world. Have a listen.

Alex Usher: Andrew. Hello.

Andrew Norton: Hi, Alex.

Alex Usher: *So, the University's accord is sort of an outsourcing of policy making. It seems to me that it's something that happens relatively frequently. At least, frequently in Australian higher education like the Bradley Review or the West Review. They seem to come about every four or five years. Less so when the liberals were in power, I think under the last government. The way they seem to work is that the party and control has some general preferences about policy, but no specific ideas. So, they hand it off to an external body. Tell us, why does Australia make policy like this? That seems fairly unique in a global perspective.*

Andrew Norton: I think the British might do it a bit as well, which might be where we get it from. Look, I think, as you indicated, particularly if the government is starting with only vague intentions, this is actually a useful way of delaying a decision. Also I think it has some policy and political advantages in that if the government starts doing this work itself and some of it gets out, there'll be all this pressure to rule out things people don't like, or there'll be expectations raised that won't finally be met. Whereas with these semi-independent reviews: the review comes up with an idea and the government can decide to accept it or not. And until they accept it, it's just a recommendation and not a political commitment. I also think there's probably real policy benefits in it because there's limited expertise and resources within government, and this brings in external experts who can bring insight into the issues the government is concerned with. The reviews not completely separate from government in the sense there's always a secretariat in the Department of Education, which does varying amounts of work. But nevertheless, there is that interaction and I think a good review panel chairperson or maybe other panel members will probably be in reasonably regular contact with the minister or the minister's office because you don't want to have recommendations that the government is just going to totally reject. Therefore I think, on the other hand, you want to be a little bit ambitious, maybe do things that won't be immediately possible, but if it's just going to be totally thrown away by the government, you're wasting your time on the review. So there are politics in this, but I think also with some real expertise added.

Alex Usher: *And is the assumption then that the government will more or less accept the results when it comes out? Are they expected to take 100% of the advice, 80%, 60%? What's the track record?*

Andrew Norton: So, for the Bradley report that you mentioned earlier, which led to the demand driven system, I'd say it was probably about 80%. Some of the details didn't get through. I had a review of the funding rates, the so-called base funding reviewer and basically none of the recommendations were accepted. Another review that I was involved with was the review of the demand driven system about 10 years ago, where the government did actually accept maybe 75% of the recommendations, but then couldn't get any of them through the Parliament. So in the end, it went nowhere. So on the whole, I think if the review panel knows what it's doing, it should be able to get at least some of it accepted by the government of the day. But whether they can get it all through the parliament, obviously, is another question.

Alex Usher: *Right. So, now that being said, the body that's set up to give these recommendations they aren't given tabular rasa. They are given a steer by the government. And it seemed to me that when this group was set up, the labor government was giving it a pretty hard steer about undoing some of the work of the previous government, which had been powered for I guess nine years before that. What's the mandate exactly of this group and what are the key areas in which it's expected to provide advice?*

Andrew Norton: Look, one of the things I think is a little bit unusual about this review is that (apart from clearly warning targets for attainment and for increased participation by various disadvantage groups) the terms of reference are very general covering students, research, equity, workplace relations, governance, virtually everything is in the pot. And without too many clear steers about exactly what they want. Also often by the people they appoint, that in itself sometimes gives a signal as to where they want to go. Except for one serving vice chancellor on the current Accord panel, none of them have really had major public roles in higher education policy in recent times. And therefore, I am probably less clear about where this one might be going than possibly any review we've had in recent times.

Going to the issue of what it might do with the previous government: the central thing probably that won't last under labor government is some of the student contributions. That's our fees for government supported students in the so-called "job ready graduates" package where they cut the public subsidy, increased student contributions, which has been done before. Then decided to try and steer student preferences to courses the government likes (the job-ready courses) by cutting the student contributions even more compared to the past for those fields and then greatly increasing the student contributions in the fields, I think are not leading to jobs. So, for example, to cost to study humanities in Australia now cost more than twice as much as it did back in 2020. So that's a very clear price signal that students shouldn't do arts.

Alex Usher: *Right. And now you've written about the job ready graduates program and the phrase that stuck with me was "overwhelmingly failed on all objectives." What do you mean? What have the impacts been of the program?*

Andrew Norton: So that was from a headline that was maybe a bit of a subeditor exaggeration of the story, but I think more or less that's right. So during the job ready graduates debate, myself and others were arguing that the student contribution charges were unlikely to have a major impact on student preferences. And the reason for that is that people choose courses and careers based on their interests. These interests are kind of aspect of personality. They're not greatly swayed by price discounts or price penalties. However, people have multiple interests and within their range of interests. It is possible that financial factors, and probably it's almost certain the financial factors play a role for some people, but even then it's going to be there what they think are their employment and salary prospects after graduation, not the actual cost of study in the first place. So even though there are some big differences, and potentially tens of thousands of dollars, in the costs of a course that is still relatively small as a percentage of lifetime earnings. You know, the difference between going straight into a full-time job or not after graduation could easily kind of wipe out that \$30,000 in, in your first year or two.

Alex Usher: *Okay. We're going to take a short break now. Back after this.*

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national and global reviews of curriculum trends by study field. Get in touch to find out how your institution can benefit: email us at info@higheredstrategy.com.

Alex Usher: And we're back. So, Andrew, Australia has historically relied on a mix of government funding, which has just been below the O E C D average and add to that, a time delayed domestic student financing through the HEC system and fees which are pretty similar to those we have in Canada, but high compared to many other countries. Then you've got some international student fees as well. So what are the options for moving forward with respect to funding universities? Is this commission likely to alter the mix very much or is it more likely to tinker around the edges?

Andrew Norton: Look, I think at the aggregate mix of public and private expenditure, I don't think it'll radically change things. Some of your comparative work shows that if you look around the world, you tend to see that countries that have kind of mid-range tax-centered GDP like Australia or Canada or the US tend to have some student charges. Whereas the higher taxing countries in Europe tend to have free or very cheap higher education. Because there are no radical plans to totally change the Australian tax system and increase taxation in Australia, I can't see how we can move to a totally different European style system. But I would expect the Accord to recommend some narrowing of the gap between the student contributions and probably different principles for setting it.

Alex Usher: What about international students? That's been a very big source of income for many years. And it was one that was cut off fairly drastically or reduced fairly drastically during covid. I remember participating, I think we might both have been at that discussion in a couple years ago where the universities were saying "oh, we realize our business model was wrong. It was too reliant on international student income." But can the country really walk away from that money? Or are you going to go back to the previous status quo in terms of trying to get other people's citizens to pay for post-secondary education?

Andrew Norton: I think we're already headed back to the old system. Visa applications are reasonably strong. Universities are desperately trying to recruit as many international students as possible. The current government's already extended some of the visas, so you can apply for this visa to work for two or more years in Australia after you finish. That's already been extended for many students. It's going to be extended again if you're in certain fields, which are allegedly in skilled shortage. And the minister's making all these positive noises about being able to stay permanently, which I think are probably quite misleading because you can't mix an uncapped temporary migration program like the student visa and a permanently capped permanent residence program.

Alex Usher: We're about five years ahead of you on that one. I think you'll find out that you'll be able to learn from Canada on that one. We're a long way down that down that road already.

Andrew Norton: Because I guess to me this is a big social policy issue that we've got large numbers of temporary migrants often quite exploited in the labor market. We want to have an ethical business model here and not just one that eyes on taking their cash and not delivering on their expectations.

Alex Usher: But will the university's accord pronounce on that piece? Or is it likely to leave it alone? Because as you said, the government has already made some policy now.

Andrew Norton: Yeah, I suspect it will. There's a separate migration view running at the same time and I suspect in the end, the education minister is not going to have the final say on this migration issues.

Alex Usher: *Interesting. Well look, funding is a big part of the focus of the University's Accord, but the terms of reference include a slew of other issues. Boosting First Nations enrollment, the research system, workplace relations, amongst other areas. Where if anywhere, do you think we can expect some new bold thinking or new recommendations?*

Andrew Norton: Well, the mention of workplace relations in the terms of reference was interesting cause this has not been in the terms of reference for recent reviews. But there have been a lot of scandals in Australia where universities have been caught underpaying their casual staff. I think mostly due to error rather than the wage theft claimed by the Union. Nevertheless, they have been paying them incorrectly. Particularly the junior academic workforce are employed under probably the worst conditions that graduates have in the labor market. So, I think there's now a real pressure to change that model. But I think this actually flows straight back into the funding issues because I think the reason this problem has developed in Australia to the extent that it has is over the last 30 years we've completely separated out teaching and research funding and distributed them on different criteria. Which has made it increasingly difficult to maintain this norm of an academic job that involves both teaching and research. So, that's why we've seen all these fixed term research contracts and all these casualized teaching contracts to try and have these staff arrangements reflect the funding arrangements. I think we need to move to an academic workforce, which is a much larger percent of people with ongoing teaching contracts, but that is very hard culturally and industrially. That is: the Union doesn't like it. All of these people have spent years doing PhDs and want a job that involves research and don't necessarily like teaching as much. Again, this is something which I think is going to be very hard for the Accord panel to deal with because it's kind of industrial issues that are not really within the scope of education minister and even industrial relations law can only do so much to change this.

Alex Usher: *Interesting. And yet that's been arguably the greatest area of Australia's greatest success in the past two decades. Just the huge rise up the rankings of Australian universities and their increasing research intensiveness. But there's no thought that that could be reversed, is there? I mean, it's about how to make it work better.*

Andrew Norton: I think partly it's done that by employing most of these casuals at the lowest academic level, which has maximized the profits from teaching, which in turn has helped finance a research boom that kind of really only fizzled out in the last couple of years, but at a massively higher level than it had been before. Which as you noted, has caused a number of universities to really shoot up the rankings compared to where they were when the rankings started about 20 years ago.

Alex Usher: *Mm-Hmm. Well that's all we have time for today, Andrew. Thank you very much indeed. And I hope we can speak again when the Accord's finished.*

Andrew Norton: Thanks, Alex.

Alex Usher: *Okay. Just remains for me to thank the show's excellent producers, Tiffany MacLennan and Sam Pufek and you, our listeners, for your interest in the World Higher Education podcast. If you have any feedback on the program, please get in touch with us by email at podcast@higheredstrategy.com.*

Join us again next week when our guest, Dave Guerin, will be beaming in from Wellington to discuss higher education. Legacy of New Zealand's recently retired Prime Minister Jacinda Ardern. Bye for now.