Developing a New Vision for Post-Secondary Education: Ideas for Government

Policy discussions following the 2019 Federal Election

**Edited by
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Acknowledgements

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Introduction

This collection emerged from a series of three public policy discussions organised by the Melbourne Centre for the Study of Higher Education at the University of Melbourne from June to August in 2019. The initial idea for the series was conceived prior to the 2019 Federal Election and motivated by the opportunity to engage in a full and frank discussion about higher education policy in the broader context of post-secondary education during the first 100 days of what we expected would be a *new* government. We identified a clear need for such discussions, which were notably lacking during the election campaign. It was envisaged that our discussions would address a new Labor government, with their potentially ambitious plans promising a fairly comprehensive review of post-secondary education, and that we would therefore offer an important contribution to the key issues while policy was being formed.

Instead, by the time our series of events commenced in June 2019, the Coalition Government had been re-elected, presenting a different kind of opportunity for our expert panellists, and perhaps an even more urgent need to offer some new thinking to influence the direction of policy. With tax cuts being the main priority for the re-elected Coalition Government and so many other pressing issues, higher education was, and remains, in danger of being forgotten. The lack of genuine and transparent consultation with the sector before the election on evidence-based policy options had not been particularly encouraging. Yet, there are some major challenges for higher education - and post-secondary education as a whole – in Australia, as the country moves into a new phase as an expanding knowledge-based society and economy.

The aim of the policy discussions – and the following written contributions based directly on the panellists' inputs – is to generate new ideas drawing on the latest evidence, challenge conventional thinking and offer practical steps that ministers could take in the next few years towards a longer term, comprehensive vision for post-secondary education.

Based on our three policy seminar discussions, this edited collection is divided into three sections, which deal with three distinct yet interrelated topics that represent some of the most pressing issues in contemporary Australian higher education, and post-secondary education more broadly. The first group of four contributions examines whether Australian higher education is fit for purpose in the 21st century and how its funding can be sustainable well into the future.

The second group of panellists turned to the issue of access, focussing on the question of *who* gets into post-secondary education, including higher education, as well as *what kind* of education students receive, and how this helps them to achieve their potential to make a significant contribution to our society and economy. Each of the contributors considers how the sector can achieve greater equity in access, student success and graduate outcomes, as well as how the higher education, VET and other post-secondary education sectors might be better articulated and integrated.

The third set of contributions respond to the provocative question: 'has internationalisation gone too far?' The authors interrogate the implications of internationalisation for international and domestic students, for the curriculum and teaching and learning, and for institutions as-a-whole. They also reverse the proposition, reflecting on whether internalisation has in fact gone *far enough*, and discuss the future directions that are needed, as well as how Australia's post-secondary sector should position itself globally.

William Locke, Director, Melbourne Centre for the Study of Higher Education

Part 1: The Purpose of Higher Education and How its Funding can be Sustainable

The Higher Purpose of University: Beyond the Economic

Professor Margaret Gardner AO
President and Vice-Chancellor, Monash University

Newman's *The Idea of a University* is the Western touchstone for purpose. For Newman the purpose of a university is to educate, and he pits his ideal against the development of a professional skill, or a utilitarian end to education as the main purpose. The liberal education he champions is one in which the student "apprehends the great outlines of knowledge, the principles on which it rests, the scale of its parts, its lights and its shades… A habit of mind is formed which lasts through life…"[1]

Newman concludes that a university education has a purpose, but not the one that is described by those who require it to serve business or economy. It is to serve a greater good:

> [University Education] is the great ordinary means to a great but ordinary end; it aims at raising the intellectual tone of society, at cultivating the public mind, at purifying the national taste, at supplying true principles to popular enthusiasm and fixed aims to popular aspiration, … at facilitating the exercise of political power and refining the intercourse of private life.[2]

Newman contrasts the higher purpose with the major reason given for the formation of every Australian university; that is, to provide education for the professions and the economy.

The statistics attesting to the economic benefit of a university education to the individual are strong and the related benefits of greater health, longer life, greater social volunteering and less incarceration, are equally strong. The broader economic benefits: higher levels of workforce participation and productivity, export earnings in excess of $35billion annually in Australia, and returns from innovation, add to the utilitarian case. The purpose of higher education therefore has two aspects: purpose for the individual and purpose for the community.

My simple answer is that the purpose of higher education is to prepare and inspire new generations, giving them the capabilities to shape a better future for themselves and the world. This is a less poetic distillation of parts of Newman, with the recognition that we might also individually and collectively care about the economic benefits, as well as the non-economic ones. Most important is to recognise that the way in which purpose might be described shifts with individual, societal and historical context. It is also important to emphasise that, without research and scholarship, the range of possibilities and capabilities for which we will be able to educate will be impoverished, not least because we end up repeating ourselves.

The very clever J.C. Masterman, deliberating on the characteristics that make an Oxford education great, opined:

> As we have discussed Oxford and its different aspects, we have always tended to return to our own early days. Each of us sees it as it was when he was young, each of us thinks that his own age is by much the best, each of us thinks that his successors ought to enjoy the things which he enjoyed and

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[1] J.H. Newman (1996) *The Idea of a University*. New Haven: Yale University Press, 101.
[2] Ibid, 177-178.

to admire what he admired. But why should they? Isn't it right that every generation should live its own life and worship its own gods?

> The world's great age begins anew,
>
> The golden years return

The great age for us was our youth, but it seems to me that every October, when the freshmen [sic] arrive, the great age dawns for them and the golden years begin.[3]

The purpose of higher education, then, is found and created anew by each person within a particular time and place.

Funding sustainably?

The funding issues that bedevil policy debate in Australia are separated from the question of purpose in part and can be broadly subdivided into the following questions:

- How much public vs private?

- How should education and research be funded?

- How much access should citizens have to higher education?

These questions are all fundamentally about how much funding should come from the Commonwealth purse to higher education and how much should come from the citizens. Related to this, but often subsumed within the broader discussion or treated separately, is government investment in new knowledge creation or research and its dissemination and development.

Governments to date have broadly given a consistent answer to the first question regarding how much higher education funding should be public vs private: regardless of the amount they are expected to pay, each citizen who benefits from higher education will contribute to the cost through an income contingent loan scheme (HELP). After a short flirtation with the notion that the government should fund enough to produce some 40% per cent of 25 – 34 year-olds in Australia with a degree, there has been a reduction in government funding [N.B. By 2019 39.7 per cent of Australians had a degree, 34 per cent of men and 45 per cent of women]. This has been achieved in recent years by a cap on funding at 2017 levels, amounting to a $2.1 billion cut over 4 years. This was after successive cuts from 2011 to 2017 that amounted to some $3.9 billion.

In relation to the question of research funding, the answer has been unclear. While there is increased direct funding from government available in the case of medical research and medical translation, for any other research, direct and indirect funding has been reduced; the last government cut was $328 million last year in research support.

There has been a shift in government rhetoric about its funding to higher education in recent years, with the suggestion that it is 'only' for education. If this is the case, then there is a very significant case for increased government funding in research, direct and indirect. The government invests billions through its Research and Development tax concession, with not much evidence that it is based on research or the development of same. Redirection of this funding to productive and more transparently justified ends is warranted.

The largest single 'private' source of revenue to higher education is from international fee-paying students, which amounted to some $9.3 billion in 2017 and it has been rising. Yet, on the subject of International

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[3] J. C. Masterman (1952) *To Teach the Senators Wisdom or An Oxford Guidebook*. London: Hodder and Stoughton, 274.

student revenue, the national debate is often strident and confused. The claims are many and usually vociferous; for example: this income is at risk; we should not depend on it; we should have less of 'them' and therefore their revenue; they are not getting value for money, and so on.

This leads me to raise the following questions: Why is private revenue problematic? We mandate it for our domestic CSP students. What about our domestic postgraduate fee-paying students? Are we worried about our dependence on their revenue? And when is it problematic? If education cannot fund research, then where will its funding come from?

We need education sufficient for our societal needs. Why then is the calculation of what government needs to invest in higher education different from that which funds compulsory schooling? If we need a certain proportion of graduates of higher education for our national purposes, then it seems on principle that this proportion should be funded. But funded to what level? We require our universities to undertake education and research legislatively. Either they should be funded for education that covers the costs of research (our current unarticulated position) or there is a need to decide how much research needs funding, and to ensure that it is funded separately and properly. These views are articulated in the Monash Commission's recommendations on funding and on learning entitlements.[4]

We need a review of our funding system in the context of what we expect from post-compulsory education, not just from higher education. We cannot keep hoping that if we cut just a little more flesh from the bone that the whole will continue to live and produce further life. Despite the worries of those trying to balance budgets and be re-elected, we will all be better off if we are clear about our commitments to the citizenry and the future of the nation, rather than hoping – like Micawber – that something will turn up.

[4] The Monash Commission, *Three Recommendations for Renewal of Post-Compulsory Education in Australia* (Monash University, Melbourne, 2018)

The Multiple and Diverse Purposes of Australian Higher Education

Mr Andrew Norton
Higher Education Program Director, The Grattan Institute

I would like to start by somewhat disagreeing with the proposition we have been given. As Margaret Gardner stated in the previous contribution, there is not a singular purpose, as Cardinal Newman would have it, but rather multiple purposes of higher education. It is one of the great strengths of our system that it is very pluralistic in its purposes, and also, that there is significant scope to invent new purposes and redefine old ones.

Universities have different missions, and while at a high level, they are all engaged in teaching, research and engagement, they typically do this in different ways, serving different groups in the community. Universities routinely enter new research fields and start new courses. They engage with their relevant communities in different ways over time. Inherent to this is an on-going debate at a national and institutional level about what activities should be pursued and the relative priority given to them.

The national debate gets the most attention, and we have made some pretty big decisions at a national level; for example, we have chosen a mass over an elite higher education system and have chosen to have a mix of public and private funding. As Margaret mentioned, public research expenditure is biased in favour of medical research and the government generally encourages research at the applied end of the spectrum.

However, even when it comes to national priorities, operational decisions are generally made locally, and many other purposes and priorities are determined at the institution level, from funding sources that are occasionally, but not usually, highly prescriptive. In my view, the fact that different universities come to different conclusions about these things both maximises potential benefits from the higher education system and minimises the consequences of poor choices.

The debate about public or private purposes, or social versus economic goods, is in my view only occasionally enlightening. Whatever the purpose of an activity in higher education, its effects are likely to be mixed. For example, a researcher might only be interested in knowledge for its own sake, but basic research sometimes leads to commercially valuable outcomes. A student might only be concerned with maximising their lifetime income and choosing the most lucrative course, but if their career is successful, they may end up producing wider benefits to the community, and even if they do not, if they are financially successful, their taxes will contribute to other public benefits. As research has shown, often those tax benefits are the largest quantifiable benefits of higher education to the broader community.

Similarly, whether activities are publicly or privately funded does not necessarily predict whether the outcomes will lean in public or private directions. In Australia, we have an interesting case where a highly commercial market in international students supports basic research.

In my view the mix of public and private funding reflects a country's broader political arrangements, and particularly its tax and welfare system, to a far greater degree than it explains its higher education system. Higher education systems do similar things throughout the world despite huge differences in funding arrangements. However, I think a system like Australia's, with a mix of public and private funding, will generally be bigger, richer and more able to serve a wide range of purposes, than a system that is entirely public or entirely private in its funding.

This pluralism of our system is based on substantial autonomy in institutional operations, and this autonomy peaked between 2012 and 2017, thanks to the demand driven system, which let universities

take unlimited numbers of bachelor degree students. Demand driven funding led to a substantial reconfiguration of our higher education system. Some universities dramatically changed their size to become much larger. There was a very big shift towards the provision of a health-related workforce, which was an area of community need prior to the demand driven system. It also substantially expanded access to higher education – from about 30 per cent of school leavers going to university, to more than 40 per cent in a decade, representing a very big change. I would note that this is one of the contested benefits of higher education. Many people believe we have too many students at university, and even when I speak to student groups, often I find resistance to the idea of demand driven funding because of a view that this has reduced their chances of getting a job after graduation. They all assume of course that they are not one of the ones who would have been excluded under the old system. Nevertheless, they generally have more negative rather than positive feelings about demand driven funding.

In my view demand driven funding should be restored, ending the funding freeze put in place at the end of 2017. Of course, we all thought that this would happen, albeit with some strings attached, if the Labor Party had won the 2019 election. This now won't happen for at least three years, and we need to act before then. One of the reasons for that is that we have a demographic bulge coming through the school system stemming from the baby boom that started in the mid-2000s. Here in the state of Victoria, we will probably have about 20 per cent more 18-year-olds in 2029 than we have today. That has major implications for universities.

The principal challenge now is to restart demand driven funding soon, with all the flexibility that brings, while working within the government's fiscal constraints. It's important this happens by the early 2020s, so universities can prepare for a big increase in the school leaver population. There are quite a number of ways to reduce public spending that will have minimal effects on higher education pursuing its multiple goals. Here I will focus on just one: the census date.

The Grattan Institute's report on dropping out identified the census date as significant.[5] The census date is usually about four weeks into the teaching term. If a student drops a subject prior to that, they don't incur a HELP debt and the university doesn't get the Commonwealth contribution. This is an important part of a high access system, because once we reach a participation rate of 40 per cent, there are many people who are not clear about whether university is for them, or whether a specific university or a specific course is the right match. What the census date allows is a try-before-you-buy period, an experiment in higher education, and if it's not working out a student can leave with low or no financial cost. On our analysis, about 10 per cent of people who accept an offer don't appear in the enrolment data in the next two years, meaning that a lot of people are taking advantage of this aspect of the system.

But our concern is about the people who don't drop out, who incur a HELP debt, and then don't proceed. Our small survey found that there is confusion around the census date: students either don't know what it is, or they confuse it with other university dates, or if they do know what it is, they don't know when it is. Seven per cent of people who do make it to the census date fail every single subject in first semester and drop out, having incurred a HELP debt. We think that quite a number of these students have entirely disengaged, meaning that they have never attended a class or completed an assessment, but they have failed to disenroll. I suspect we could save about two per cent of full-time equivalent student enrolments or more simply by managing this date more effectively.

There are a couple of things that could be done to address this issue. The census date is designed from the point of an administrator to calculate how many students there are. A simple name change - something like

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[5] A. Norton, I. Cherastidtham, and W. Mackey (2018) *Dropping out: the benefits and costs of trying university.* Grattan Institute.

- 'payment date' - would highlight its implications to students. The other thing we can do is better manage this date. Some universities are already doing this, by making sure that students are engaged prior to the census date, such as by setting an early assessment task to see if they are engaged and doing OK. If students are not engaged or not doing well, there is then an opportunity to talk to them and either re-engage them, if that's possible, or encourage them to leave before they incur the student contribution, and from the taxpayers' point of view, before the Commonwealth contribution is paid to the university. This will reduce university revenue, but that is the scenario we have in any case.

My view is that there are better and worse ways of saving money. The freeze we have now is at the worse end of the better-worse spectrum. We need to be creative. Better managing the census date and other such reforms will save money and, at the same time, achieve one of the other purposes of the system which is to protect the students' best interests.

The Future of Higher Education: An Economist's Perspective

Professor Beth Webster

Pro-Vice Chancellor for Research Impact and Policy, Swinburne University

There are three major economic trends that are creating opportunities and challenges for the higher education sector.

The first relates to the link between education and economic growth, or productivity. Numerous econometric studies that have shown clear links between an individual's income and their education, as well as between a nations' education levels and their average output per worker.[6]

Nonetheless, whereas education is an important factor in creating economic growth, it isn't everything. A simple way to show this is through a comparison between two countries: Korea and Germany. These economies have been selected because they both have a medium size population and a medium size land mass, and neither country is particularly rich with natural resources. From Figure1 we can see that as the level of education rises (from 1970 to 2010), the level of output per worker also rises. However, the most striking fact from Figure 1 is that when we compare Germany with Korea we find that, for approximately the same level of education per person, the level of output per worker in Germany is considerably higher. There is a huge gap between what the two countries are achieving economically, despite similar levels of education.
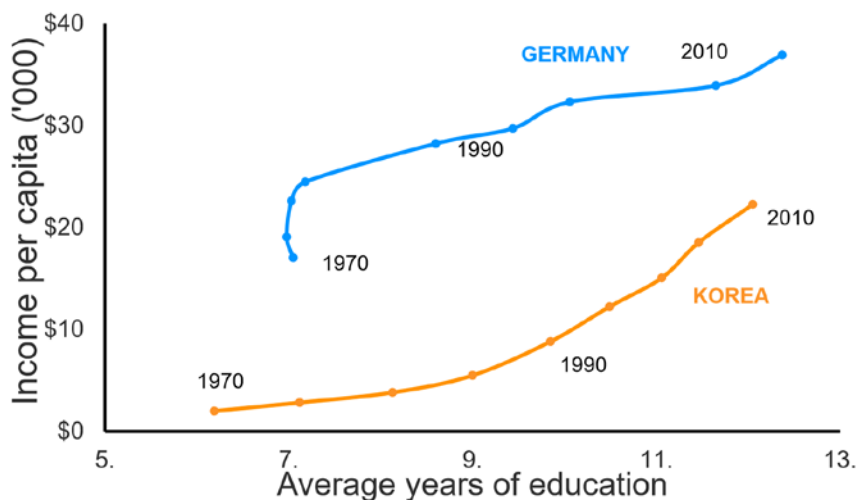

Figure 1: Average years of education and income per capita for Korea and Germany

SOURCES: WORLD BANK NATIONAL ACCOUNTS DATA; OECD NATIONAL ACCOUNTS DATA FILES; ROBERT J. BARRO AND JONG-WHA LEE: HTTP://WWW.BARROLEE.COM/, EDUCATION STATISTICS - ALL INDICATORS.

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[6] E. Pelinescu (2015) "The impact of human capital on economic growth." *Procedia Economics and Finance*, 22: 184-190; J. Eggoh, H. Houeninvo and G.A. Sossou (2015) "Education, health and economic growth in African countries." *Journal of Economic Development*, 40(1): 93; Y. Wang and S. Liu (2016) "Education, Human Capital and Economic Growth: Empirical Research on 55 Countries and Regions (1960-2009)." *Theoretical Economics Letters*, 6(02): 347; J.B. Madsen and F. Murtin (2017) "British economic growth since 1270: the role of education." *Journal of Economic Growth*, 22(3): 229-272; K. Ogundari and T. Awokuse (2018) "Human capital contribution to economic growth in Sub-Saharan Africa: Does health status matter more than education?" *Economic Analysis and Policy*, 58: 131-140: J.M. Pastor, C. Peraita, L. Serrano, and Á. Soler. 2018. "Higher education institutions, economic growth and GDP per capita in European Union countries." *European Planning Studies*, 26(8): 1616-1637.

This observed gap can be applied to many countries. North and South Italy are a classic case in point.[7] Some researchers have explicitly addressed this gap and it has been variously called social capital, economic and political institutions, innovation capability, trust, the rule of law, and civil society *inter alia*.[8] Differences in these softer institutions matter a great deal and help to explain the large gap, which cannot be explained solely by education or by what we would call machinery.

Higher Education plays a role in generating, preserving and extending social capital, especially in the humanities and social sciences, which sustains a civil society. Informal education, that people acquire during their university days, through clubs and societies, networking, meeting and having discussions with peers, forms part of this social capital. This raises the question as to what we might be missing out on when online or off campus education becomes a substitute for face-to-face instruction.

The second key trend I would like to focus on is the digital revolution. We see the digital revolution occurring in pockets everywhere, in areas such as media, retail, areas of manufacturing, logistics, etc. It comes under the umbrella of Industry 4.0., a German term that encompasses digital technology, data exchange and automation. Industry 4.0 is transforming some industries like manufacturing, transport, warehousing, and perhaps construction.[9] These innovations are drastically reducing the number of workers we need to produce the same level of output. We currently need only one or two per cent of the workforce to keep the mining industry going or the agricultural industry going, and we are probably headed the same way with manufacturing. In Australia, our manufacturing now uses 6 per cent of the workforce (from 26 per cent in 1966) despite rising in real output. We are headed in the direction where we only need one or two per cent of the workforce to work in 'dark factories' that have so much automation, robotics and digitisation they don't turn on the lights on the shop floor.[10]

We are not moving to mass unemployment, but workers will be moving into upstream and downstream industries.[11] They'll be moving upstream into business services such as design, logistics, organisational reform, administrative services, training, customer outreach, and analytics. They'll be moving sideways into cultural sectors such as education, religion, community activities, welfare and interpersonal services.

The two big industries that stand to gain a large percentage of the workforce are health and education. There has already been great growth in these areas. The central issue in relation to these two industries is

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[7] S.B. Clough and C. Livi (1956) "Economic growth in Italy: an analysis of the uneven development of north and south." *The Journal of Economic History*, 16(3): 334-349; J.F. Helliwell and R.D. Putnam (1995) "Economic growth and social capital in Italy." *Eastern economic journal*, 21(3): 295-307.

[8] G. Myrdal (1968) *Asian Drama: An Enquiry into the Poverty of Nations*. New York: Penguin Books; R.D. Putnam (1993) *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, N.J: Princeton University Press; P.F. Whiteley (2000) "Economic growth and social capital.' *Political studies*, 48(3): 443-466; B. Rothstein (2003) "Social capital, economic growth and quality of government: The causal mechanism." *New Political Economy*, 8(1): 49-71; S. Iyer, M. Kitson and B. Toh, (2005) "Social capital, economic growth and regional development." *Regional Studies*, 39(8): 1015-1040; G. Kruss, S. McGrath, I.H. Petersen, and M Gastrow (2015) "Higher education and economic development: The importance of building technological capabilities." *International Journal of Educational Development*, 43:22-31.

[9] R. Schmidt, M. Möhring, R.C Härting, C. Reichstein, P. Neumaier and P. Jozinović (2015) "Industry 4.0-potentials for creating smart products: empirical research results." In A. Witold (ed.), 18th *International Conference on Business Information Systems*. Springer Verlag: 16-27; R. Strange and A. Zucchella (2017) "Industry 4.0, global value chains and international business." *Multinational Business Review*, 25(3): 174-184.

[10] F. Almada-Lobo (2015) "The Industry 4.0 revolution and the future of manufacturing execution systems (MES)." *Journal of innovation management*, 3(4): 16-21; E. Oztemel and S. Gursev (2018) "Literature review of Industry 4.0 and related technologies." *Journal of Intelligent Manufacturing*, 1-56.

[11] D. H. Autor, (2015) "Why Are There Still So Many Jobs? The History and Future of Workplace Automation." *Journal of Economic Perspectives*, 29 (3): 3-30; J. Mokyr, C. Vickers and N.L. Ziebarth (2015) "The History of Technological Anxiety and the Future of Economic Growth: Is This Time Different?" *Journal of Economic Perspectives*, 29(3): 31-50.

that they have been traditionally publicly funded. If these growing industries continue to be funded out of the public purse there is going to be a lot of resistance because there is only so much you can tax people before you get political backlash.

A funding model in which you have a mix of public and private funding is really a blessing for education. In Europe, many countries rely heavily on government funding, and this is putting considerable strain on their public budgets.[12] They are likely to run into problems without a new funding model. The U.S. has fees but no income contingent loan scheme, no caps and huge debts for students, which often forces students to seek work in high paying jobs that might not be the most desirable jobs. In Australia, we are incredibly fortunate, thanks to Milton Friedman[13] who designed the income contingent loan, and Bruce Chapman[14] who enacted it. This isn't to say we can't improve the income contingent loan scheme, but it's a great strength of the Australian education system.

On a more micro level, quite a few universities around the world, including Zurich, Berkeley and MIT, are talking about making digital analytics a compulsory unit in all their degrees, from philosophy to engineering. Digital analytics incorporates learning skills like web scraping, python coding and basic statistics. The reason that many universities are talking about this is because in the future anyone who works in an empirical realm will increasingly need those data analytics courses if they want to do world frontier research. They will need to know what it involves, what its limitations are and what it can offer. This is something I believe the Australian university system should be thinking about; should we be bringing more data analytics units into our courses and should we think about making them compulsory?

The third aspect I want to discuss relates to research, which is obviously a very important part of the higher education system. There have been close to 200 econometric studies that have tried to statistically show the importance of research and development (R&D) for economic growth.[15] These studies have been conducted for at least two or three decades and they are very well done, at the firm level, the industry level and the country level across every OECD country. These studies generally show that R&D is associated with better firm profits, better industry productivity and better output per capita in the national economy. Governments have heeded that message and they have been enacting policies to increase the number of R&D workers as a proportion of their population.

As a result, there has been a clear upward trend in R&D across the main OECD countries since the 1950s, as shown in Figure 2. The theory is that, if you increase the level of R&D, you should raise the rate of productivity increase because the investment should affect the growth of output per worker. However, when the growth in consumption per working hour is superimposed over this graph, the trend is anything but up. This is concerning for people who study the economics or organisational policy of R&D.[16] If the microeconomic studies suggest there should be a positive correlation, why isn't this showing up in the macro data? Although studies are still emerging in this area, the thinking is first, that the R&D sector is possibly not good at translating the research into actual use, whether it is commercial use or community use, and secondly, that when it is translated, it's not being diffused widely. We do have some very good

[12] R. Diris and E. Ooghe (2018) "The economics of financing higher education" *Economic Policy*, 33(94): 265-314.

[13] M.Friedman (1995) "The Role of Government in Education." In A. Solo (ed.) *Economics and the Public Interest*. New Brunswick, N.J. Rutgers University Press, 123 – 44.

[14] B. Chapman (1997) "Conceptual issues and the Australian experience with income contingent charges for higher education." *The Economic Journal*, 107(442): 738-751.

[15] B.H. Hall, J. Mairesse, and P. Mohnen (2010). "Measuring the Returns to R&D." In B.H. Hall and N. Rosenberg (eds.) *Handbook of the Economics of Innovation. Handbook of the Economics of Innovation. Volume 2.* Amsterdam: Elsevier/North-Holland, 1033-1082.

[16] See J.B. Madsen and F. Murtin (2017) British economic growth since 1270: the role of education. *Journal of Economic Growth*, 22(3): 229-272.

data coming out of the OECD that shows that the productivity of the top 5 or 10 percent of firms is really soaring ahead and growing strong, but the remaining 90 to 95 per cent are flatlining and they have been for decades. [17]

19 OECD countries, 1952-2014

R&D worker per million pop^N (RHS)

Growth in Consumption per per working hour (LHS)
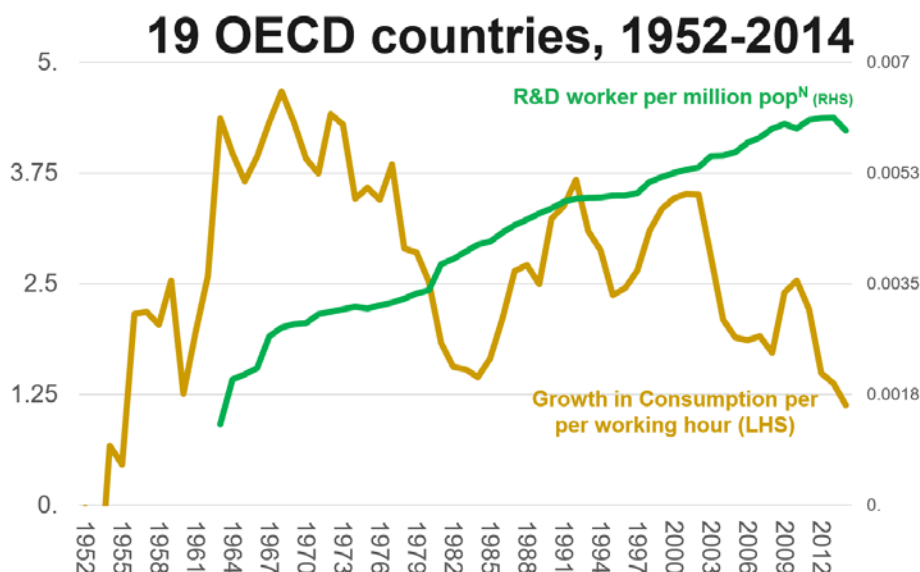
Figure 2: Growth in consumption per working hour, compared to R&D workers

SOURCE: OECD STATS R-D PERSONNEL BY SECTOR OF EMPLOYMENT AND OCCUPATION; LEVEL OF GDP PER CAPITA AND PRODUCTIVITY

These observations represent both an opportunity and a threat for the higher education sector. There are opportunities if the higher education sector steps up and tries to do something about both translation and diffusion, but it's a threat if something else comes along. In Germany, the Fraunhofer institutes and the applied science universities fill the gap between the high-end research universities and businesses. There is some analysis suggesting that has been working in terms of both translation and diffusion.[18] In both Britain and Australia over the past 10 years there have been efforts to try and increase the ability of universities to translate their research into impact for society or the commercial sector. The question is whether the changes in the incentives and changes in the reporting that is required by the Government are going to be fast enough and strong enough to turn the graph around in Australia, or whether we need other institutions to do that. We have spent a lot of time hiring, recruiting and grooming academics to publish in the top 5 or 10 or 20 journals in their discipline and then move onto the next piece of research, and that's how a lot of academic careers are made. Are we going to be able to turn these people into those who can translate into industry, or do we need another structure?

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[17] D. Andrews, C. Criscuolo and P.N. Gal (2016) *The best versus the rest: the global productivity slowdown, divergence across firms and the role of public policy* (No. 5). OECD Publishing.

[18] C. Pfister, M. Rinawi, D. Harhoff and U. Backes-Gellner (2016) "Regional innovation effects of applied research institutions." *Leading House Working Paper Series*, 117; U. Schmoch (2011) "Germany: The role of universities in the learning economy." In *Universities in Transition*. New York: Springer, 261-282.

The Wider Benefits of Post-Secondary Education

Professor William Locke

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In this contribution I will make three key points. The first is that in the UK and in Australia there is a dominant consensus around higher education and around the marketisation of higher education, but there are worrying signs of market failure, financial vulnerability of institutions and unsustainable system-funding arrangements. Second, this consensus, which privileges the economic benefits of higher education both for the individual and for society, undervalues other purposes of higher education, including the wider benefits of post-secondary education. Ignoring or underestimating these will make it more and more difficult to persuade the electorate and the politicians that we should restore some of the public investment in higher education. This observation emerges from an English perspective, but Australia risks going down the path that England has taken.

My third point is that the government needs to restructure post-secondary education and recalibrate its funding to reflect these wider public purposes. This includes encouraging business to invest in research and development and for the government to meet the full costs of research, known in the UK as 'Full Economic Costs' (FEC). We also need a better articulated tertiary education system. I would argue that this needs to be viewed not from an institutional point of view, but from the students' perspective: prospective students, current students and graduates of post-secondary education. I will argue that government policy needs to support genuine lifelong learning to address the critical challenges we face in the mid-21st century.

The marketisation of higher education

The privatisation of higher and tertiary education in many parts of the world has led to under-investment and market failure. One example of this is the over-reliance on international student fee income to subsidise domestic teaching and other activities in higher education, including research, which is not funded at full economic cost (FEC). More than half of the growth in total sector revenue came from 'Fee-paying Overseas Students' from 2015 to 2017. Revenue growth from fee-paying overseas students has been unevenly distributed across the sector. For the Group of 8 (Go8) universities, the revenue from international students constituted 27.5 per cent of total revenue in 2017, up from 16.7 per cent in 2012, which represents a dramatic increase. It is also distributed unevenly across states: institutions in New South Wales and Victoria collectively account for more than two-thirds of all overseas student revenue in Australia.

Fewer qualified domestic students are pursuing post-secondary education study than could or should be. An interesting recent report by colleagues at the Mitchell Institute entitled *Rethinking and Revitalising Tertiary Education in Australia* shows a downward trend, particularly in the VET sector, which is not something the Australian economy can afford. Students are also increasingly choosing subjects that are perceived as more likely to lead to immediate employment (especially in the health-related disciplines). However, non-vocational subjects are also likely to yield higher non-market private and social benefits, in areas such as creativity, inter-cultural understanding, the development of democratic institutions and the rule of law. The devaluing of these wider benefits is leading to a long-term skills and knowledge deficit which, in turn, will lead to reductions in overall economic efficiency.

Another market failure is the casualisation of the post-secondary workforce. Statistical studies suggest that the rate of casual staff could be upward of 60 per cent of the academic workforce in higher education in Australia (Yasukawa & Dados, UTS, 2018). This is jeopardising the future of the higher education workforce. If we can't offer secure jobs and career progression, we will lose the brightest and the best to other knowledge industries and won't be able to attract the best of the world's academics.

The wider benefits of post-secondary education

The dominant consensus around economic benefits does not reflect the true value of higher and tertiary education to individuals and society, including the wider benefits of post-secondary education. It is possible to put an economic value on these, as Walter McMahon has done in the United States[19], suggesting that more than half of the value of post-secondary education is a public value, either to the individual or to society. If this is the case, one might argue that the taxpayer should contribute more than half of the costs of higher education, and therefore that students and graduates should be covering less than half of the costs. If we ignore the wider benefits of post-secondary education, it will be more and more difficult in the future to argue for increased public investment in post-secondary education. Ultimately, the losers will be society and the longer-term efficiency of the Australian economy.

While Universities and colleges have broad purposes, they have been diverted towards meeting private needs and away from their broader social purposes, such as widening participation, sustainable development goals and increasing the public understanding of science, to name just three examples. It is insufficient to tinker with the demand-driven system, introduce an ill-considered performance-based funding scheme or tweak the qualifications framework and relax the criteria for university title. Australia needs a bigger and bolder vision from its politicians for post-secondary education. The future job growth requires highly educated and trained people and near universal post-secondary education participation, including for those needing to update and upgrade their expertise and skills at several points during their working lives.

A funding structure to support the public benefits of post-secondary education

In terms of practical solutions to some of these issues, I suggest that the Government needs to restructure the tertiary system and recalibrate the funding of post-secondary education to reflect these wider, public purposes, to meet the full costs of research and to think about a better articulated tertiary education system. As stated above, this needs to be viewed from perspective of prospective students, current students and recent graduates, so that pathways can be developed through post-secondary education that combine academic, vocational and professional elements of study in meaningful ways. These need to develop capabilities in individuals that will help them to manage and steer their careers, rather than merely find their first job after graduation. Tertiary education must also be accompanied by substantial careers education and guidance to ensure that prospective students are well-informed about the options open to them, especially when we don't know exactly which future careers their learning will lead to.

It is imperative that we are serious about supporting genuine lifelong learning to address the critical challenges we face in the mid-21st century (such as climate change and repair, inequity, geopolitical shifts, increased public understanding of science, etc). This will require more flexible forms of learning including part-time, work-based, online and blended study, to meet specific skills and knowledge needs, and micro-credentialing for small chunks of learning. We need greater certainty of funding in order to reduce casualisation in the post-secondary workforce, provide job security and career progression and, thereby, attract and develop the brightest (young and mid-career) talent, in teaching as well as research.

Finally, universities need to refocus on and re-engage with their various communities, to rediscover their public purposes and public support.

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[19] W. W. McMahon (2009) *Higher Learning, Greater Good: The Private and Social Benefits of Higher Education.* Baltimore: The Johns Hopkins University Press.

Part 2: Access to What?

Historical Perspectives on Access to Australian Higher Education

Dr Gwilym Croucher

Senior Lecturer, Melbourne Centre for the Study of Higher Education, The University of Melbourne

In asking the question 'access to what?' and in thinking about future policy directions, it is useful to take a historical perspective on access to post-secondary education, and particularly to university, in Australia.[20] A historical perspective is useful because it provides us with a sense of the ways in which these issues have been considered in the past, and it gives us a historical lens through which to examine some of the contemporary issues.

Australia has had universities for nearly 170 years, predating the formation of the federation. The oldest universities were founded as city universities in colonial capitals: The University of Sydney was established in 1850, the University of Melbourne in 1853, and these two were followed by The University of Adelaide in 1876. These universities came to sit at the of apex of their colonial education systems and despite being named after their hometowns, they served their entire colonies. Their wide remit was more formally acknowledged by the naming of the Australian universities that followed, the University of Tasmania in 1890, Queensland (UQ) in 1909, and Western Australia (UWA) in 1911.

Before the Second World War, entry to these six Australian universities was understood in terms of them being 'open to talent'. The separate governing legislation of each university obliged them all to accept any eligible student. The six Australian universities were open to any student who passed matriculation and wanted to undertake higher education. Education was a personal choice.

All else being equal, it is not unimaginable that this state of affairs should have resulted in wide access to many more students to undertake university education. Yet this was not what occurred, not least because there were obvious structural barriers. A central issue was the ability of students to cover their fees and the costs of living while attending university. Most students had some form of paid employment. Many students were on partial scholarships provided by the state government and their tuition fees were waived. State governments also provided 'free places', with indenture for teaching and some other occupations. However, while from the time of the establishment of the first Australian universities there existed forms of fee remission and bursaries, these were limited in their generosity and availability.

Financial issues were a clear barrier, but this was not the sole reason many more people did not access university education in Australia prior to World War Two. Universities encouraged prospective students to weigh carefully the value of undertaking a bachelor degree, and consider why they should decide to dedicate themselves to three or more years of study. Many well-paying and respectable jobs did not require a university qualification and indeed university study was not always seen as an advantage in the labour market. In this context, whether or not there was ready access to university had different connotations than it would come to have a few decades later.

This situation changed after World War Two when the Commonwealth Government introduced financial assistance for students, remitting fees and providing a living allowance through what became the Commonwealth Reconstruction Training Scheme (CRTS). Yet at the same time, the Government imposed

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[20] The argument here is based on the forthcoming book: G. Croucher and J. Waghorn (2020) *Australian Universities: A History.* Sydney: UNSW Press.

quotas on university places as part of war powers and directed where students could and could not study. During the War and the reconstruction that followed, the Government was explicit that the purpose of university education was to train women and men in skills that the country needed. It was a form of service.

The quotas were lifted after World War Two, but the system of Commonwealth Scholarships helped entrench the idea that there were only a limited number of university places each year. From this point on, places were awarded on an 'order of merit', which ranked school academic achievement. For those on the cusp, consideration was given to aptitude and potential, much like US college entrance interviews today, and psychological testing was even introduced briefly at one university.

The Commonwealth Government's financial assistance removed the largest impediment to attending and aligned measures to open access with the idea of public, industrial and national need. From this point forward 'merit' and financial support became the Australian settlement for university admission, extended through the creation of the Colleges of Advanced Education (CAEs) after the Martin Commission, and then again by the Whitlam Labor Government when 'fully subsidized' tuition came into play. Merit largely meant academic achievement, either through the final score awarded at the end of secondary school or some other form of testing taken after school age.

Access to higher education, as well as the perspectives of universities and the Government as to how the issue of access should be handled, has changed over time. The Australian higher education system moved from being 'open' but clearly unfeasible, and in effect inaccessible, for most, to being competitive based on 'merit'. This has largely meant academic 'merit', but the ways in which this has been measured has changed over time. Furthermore, the perceived purpose of higher education shifted: initially access to higher education was framed in terms of personal benefit, then as national service during the Second World War, and then for personal and national economic gain.

Australia has certainly made great advances in ensuring access to post-secondary education over the past century. Access to higher education has grown significantly, especially since the 1990s following the Commonwealth Government's *A Fair Chance for All* policy statement[21], as a result of long running programs such as the Higher Education Participation and Partnerships Program (HEPPP)[22], and due to policy initiatives such as the demand driven system that have opened up access to people who otherwise wouldn't have had the opportunity to attend university.

However, we have some way to go. For example, there have been various crises in relation to VET over recent years, and enrolments are diminishing. There is also a potential crisis with sub-bachelor degrees, which have become less popular than they were. Many would argue that the demand driven system has helped ensure the expansion of bachelor degree numbers at the expense of other tertiary qualifications.

As we look to the next wave of reform, it is useful to reflect on the history and the various perspectives that the Government, universities and communities have held in relation to access to higher education, and to ask what the justification should be for widening access to higher education in the 21st Century? Should it be seen as a right? Is it for the individual or the country? We also need to ask ourselves whether access to higher education is still access to privilege. Assuming that we can address the question 'access to what?', we need to ask what policy measures can achieve and improve access. It's also important to consider whether in policy terms there are any easy wins we should focus on.

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[21] Department of Employment, Education and Training (1990) *A Fair Chance for All: National and Institutional Planning for Equity in Higher Education, A Discussion Paper.* Canberra: Australian Government Publishing Service.
[22] ACIL Allen Consulting (2017) Evaluation of The Higher Education Participation And Partnerships Program. Melbourne.

These are not easy questions and prescriptions. We need a system that is driven by student needs, and this has implications for where and how resources are delivered. We need to take a holistic view that accounts for the different levels of education, as all have an important role. At the same time, we need to provide distinct educational choices if we are to meet future needs and aspirations for all students.

Universal Access to Beneficial Lifelong Learning

Dr Nadine Zacharias

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This contribution responds to the question proposed for the public policy seminar: Access to What? when it comes to tertiary education in Australia. My response to this is, fundamentally: universal access to beneficial lifelong learning.

In my response to the overarching question, I will draw on work which I undertook with the National Centre for Student Equity in Higher Education (NCSEHE) over the past 3 years, including as an inaugural Equity Fellow in 2016.[23] I would like to acknowledge the support of the NCSEHE team and, in particular, my colleagues Matt Brett and Sally Kift, who were my partners during the Student Equity 2030 project which provides the basis for many of my remarks.

In early 2018, we were designing the final workshop in a series of national conversations about student equity in tertiary education. We wanted to focus on student equity policy and look to the medium term, to 2030, through a national consultation process with key stakeholders in research, policy and practice. The outcome of this process was *The Best Chance for All,*[24] a proposed policy statement for student equity in Australian tertiary education. It reads: 'Australia's future depends on all its people, whoever and wherever they are, being enabled to successfully engage in beneficial lifelong learning.'

The proposed policy statement is intended to update the existing one, *A Fair Chance for All,*[25] which is now more than 25 years old, and to introduce new policy language for student equity in the context of a near-universal higher education system, technological disruption and an ageing population. The cover illustration (Figure 5) captures the change from elite to mass to universal higher education.
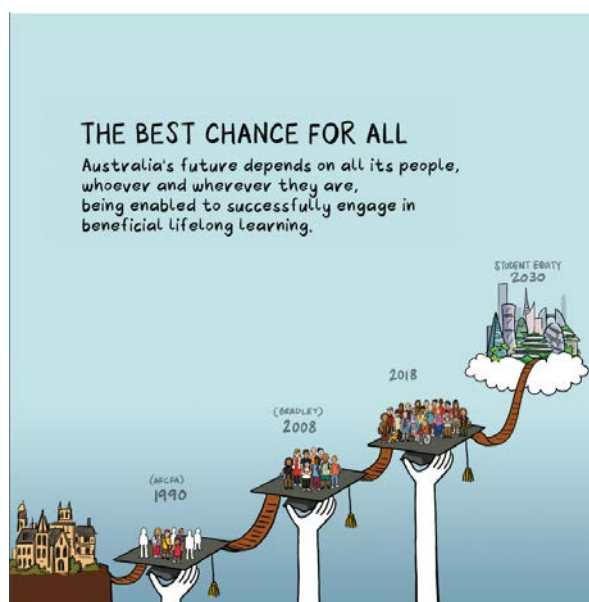
Figure 5: The Best Chance for All, Cover illustration

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[23] N. Zacharias (2017) The Australian Student Equity Programme and Institutional Change: Paradigm shift or business as usual? The National Centre for Student Equity in Higher Education (NCSEHE). Perth: Curtin University.

[24] N. Zacharias and M. Brett (2019) *The Best Chance for All.* The National Centre for Student Equity (NCSEHE). Perth: Curtin University.

[25] Department of Employment, Education and Training (1990) *A Fair Chance for All: National and Institutional Planning for Equity in Higher Education, A Discussion Paper.* Canberra: Australian Government Publishing Service.

Drawing on the questions and framing provided by Gwilym Croucher previously, I will argue for a new policy narrative for student equity in tertiary education and set out some policy priorities.

Why do we need to focus on widening access to higher/tertiary education in the 21st Century? The first core argument made in *A Best Chance for all* is that widening access is essential for nation-building for the knowledge society. We argue that a fair, democratic, prosperous and enterprising nation cannot be achieved without an equitable education system. This language is borrowed from the Monash Commission,[26] which got underway at a similar time to the Student Equity 2030 project and came to very similar conclusions, albeit with slightly different recommendations.

The second broad objective is reconciliation with Indigenous Australia, an objective that during NAIDOC week was shown to be more important than ever. First Australians are asking the more recent Australians to listen and learn about their struggles to achieve self-determination and to survive and prosper as the oldest surviving culture on the planet. Australian tertiary education institutions have a legislated duty to contribute to knowledge sharing and to provide access to both western and Indigenous knowledge systems

Finally, tertiary education has the dual goals of the 'common good' and 'a better life,' a duality that has a long history in Australia and was reinforced in the Bradley Review.[27] We need a definition of the 'common good' in the 21st century, and diverse perspectives to shape a rich cultural, civic and intellectual life. We also need to maintain tertiary education as an accessible pathway to achieving life goals, and to support individuals to identify and achieve those goals. But how can policy measures achieve this and, as Gwilym Croucher asked, are there some easy wins we should focus on?

My first recommendation is to re-introduce demand driven funding and legislate HEPPP funding. The core insight from my fellowship was that the policy package of DDF and HEPPP was a winning combination because it broke the trend of stagnant participation by students from equity groups[28]. There are early predictions out of the CHEEDR research group at La Trobe that the re-capping of university places had an immediate and negative effect on equity group student participation.

My second recommendation is that there needs to be more streamlined funding between vocational and higher education systems, so that students can move seamlessly between the two across the life course. This mirrors the three recommendations from the Monash Commission:

1. Introducing a universal learning entitlement and Lifetime Learning Account.
2. Designing a coherent and sustainable model of financing public education providers.
3. Establishing a statutory agency for post-compulsory education and training.

There is a need for the sector to lobby for financial support for our students. We need to increase Centrelink benefits to students because cost of living is again a real barrier to participation, especially in regional areas. I draw on two research projects I have done in recent years, one on equity scholarships[29]

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[26] The Monash Commission (2018) *Three Recommendations for Renewal of Post-Compulsory Education in Australia.* Melbourne: Monash University.

[27] D. Bradley et al. (2008) *Review of Australian higher education: final report.* Canberra: Department of Education, Employment and Workplace Relations.

[28] N. Zacharias (2017) The Australian Student Equity Programme and Institutional Change: Paradigm shift or business as usual? The National Centre for Student Equity in Higher Education. Perth: Curtin University.

[29] N. Zacharias, M. Kelly, A. Cairnduff, B. Cherednichenko, J. Ryan, K. George, S. Mandre-Jackson, L. Gasparini and D. Sun (2016) Moving Beyond 'Acts of Faith': Effective Scholarships for Equity Students. Report submitted to the National Centre for Student Equity in Higher Education (NCSEHE), Perth: Curtin University.

and one on the effectiveness of outreach work in low SES communities[30], plus recent work by Universities Australia in collaboration with the Melbourne CSHE[31] and Swinburne colleagues[32]. These studies show that many of our students live at or below the poverty line. The vast majority of students (80 per cent) work to support themselves while studying, and many (30 per cent) work more than 20 hours per week, which means that work is likely to be interfering with their ability to study[33].

My argument is that the current financial support is inadequate in light of rising costs of living. Youth Allowance (for students under the age of 24), Ausstudy or Abstudy (for 16-21-year-olds who are single with no children) pays a maximum of $455.20 per fortnight for students living independently. In comparison, Newstart pays $555.70 per fortnight to a single person with no children. It is important to recognise that, while there are very valid conversations about the inadequacy of Newstart, student support payments are even lower. Institutional equity scholarships cannot be the solution due to their dollar amount, predictability and scale. In addition, there is significant administrative effort required to make them work. As my QUT colleague, Mary Kelly, has said, income support for the poor is a Commonwealth responsibility through the general tax system. We should add our voice to those arguing for an increase in the Newstart payment to also increase student support payments.

Finally, I'd like to argue for upstream investment. The earliest engagement with tertiary education is at the start of the second quarter in an individual's lifelong learning journey, which is at a pretty late stage. There is both national and international evidence that high quality early learning environments benefit disadvantaged children the most. We need to increase investment in the youngest learners to prevent educational inequality.

[30] N. Zacharias, G. Mitchell, M. Raciti, P. Koshy, I. Li, D. Costello, and S. Trinidad (2018) Widening Regional and Remote Participation: Interrogating the impact of outreach programs across Queensland. National Centre for Student Equity in Higher Education (NCSEHE). Perth: Curtin University.

[31] Universities Australia (2018). 2017 Universities Australia Student Finances Survey. Retrieved from https://www.universitiesaustralia.edu.au/Media-and-Events/submissions-and-reports/Students-Finances-Survey-2017

[32] M. Thielking, N.R. Brownfield, S. Quinn, and G. Bates (2019). We want to know. Financial Stress, Accommodation Insecurity and Food Insecurity in Undergraduate Students: Results from the 2018 Higher Education Accommodation and Financial Stress Survey. Retrieved from the Analysis and Policy Observatory website: https://doi.org/10.25916/5cda0897ec397

[33] Universities Australia (2018). 2017 Universities Australia Student Finances Survey.

Widening Participation in Post-Secondary Education

Professor Kerri-Lee Krause

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Thank you for the opportunity to share with you my reflections on the matter of widening participation in post-secondary education.

First, a disclaimer: all views expressed here are my own; nevertheless, they are informed by three things:

1. My experience of the power of post-secondary education to transform lives and communities, particularly in disadvantaged, peri-urban and regional communities.
2. Compelling policy research evidence drawing on such work as that of Harvey and Luckman in La Trobe's Centre for Higher Education Equity and Diversity Research.[34]
3. A deep commitment to assuring higher education standards – I make this point for there are some who believe that widening participation in higher education and forging stronger links between different parts of the post-secondary ecosystem threatens to compromise excellence and standards. On the contrary, I contend that higher education standards and quality, research excellence and international competitiveness sit side-by-side, and on par, with a commitment to assuring opportunities for lifelong learning and universal access for all.

Three key propositions:

1. We must adopt an *eco*systemic view of post-secondary education in Australia. This means traversing the state-federal funding boundaries and scaling the walls that typically separate school - VET - higher education - business and industry. It means a shift in the policy and funding paradigms underpinning post-secondary education in this country if we are to reduce intergenerational inequities, improve social mobility, and prepare current and future generations for a rapidly changing labour market.
2. Secondly, the important matter of post-secondary education in regional Australia. I welcome the work of the Napthine Regional Education Expert Advisory Group, but the key question is: what does an ECOSYSTEMIC implementation plan look like? It will be important to execute on the recommendations of such a review in a way that reflects the interdependent and mutually reinforcing nature of the different players in the post-secondary system. I would advise that you look for ways to co-design solutions. And most importantly, take the long-term view, thinking creatively about sustainable policy and funding solutions.
3. An open letter on the subject of post-secondary education would not be complete without shining a spotlight on funding. Specifically, I will focus on the capped commonwealth supported places and their implications for equity and access for regional, rural and remote students and other equity groups.

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[34] M. Luckman and A. Harvey (2019) "Three charts on how uncapped university funding actually boosted Indigenous student numbers." *The Conversation,* 21 June; A. Harvey, G. Szalkowicz, and M. Luckman (2016) "Re-engaging low socioeconomic status students in higher education." *Australian Association for Research in Education (AARE) Conference*, Melbourne, 27 November - 1 December; A. Harvey and J. Stokes (2019). "Student Access, Equity, and Diversity in Higher Education." In A. Hynds (ed.) *Oxford Bibliographies in Education*, New York: Oxford University Press; M. Brett, N. Tootell, A. Harvey, B.A. Cardak and P. Noonan, P (2019) *Equity at and beyond the boundary of Australian universities.* Report for the National Centre for Student Equity in Higher Education. Melbourne: La Trobe University.

I fully appreciate the challenges of funding Australia's higher education system. There is a limited bucket of funds. However, the first object of the Higher Education Support Act is to support a higher education system that is "characterised by quality, diversity and equity of access".

This focus on equity as a foundational principle underpinning world class higher education systems is similarly reflected in the mission statements and strategies of the world's highest ranked universities. As a nation, we must be both *just* and *competitive* in our post-secondary education system, ensuring that equity continues to be the central principle underpinning Government's approach to higher education funding and support measures.

There is an urgent need, therefore, to rethink the policy decision to cap higher education funding. This is particularly important if we are to provide for growth in participation rates of under-represented groups in higher education. If not across the board, at the very least, I would propose a graduated approach to the removal of caps on bachelor places for regional campuses and students.

The substantial gains across the sector from the past decade are threatened by the current policy to keep a cap on the number of funded undergraduate places. Contrary to the finding of the recent Productivity Commission report[35] (2019), Harvey and Luckmann's analysis[36] (based on the Higher Education Information Management System data) shows a dramatic increase in Indigenous students starting university between 2009 and 2017, the years the demand driven system was in place. In this period, the number of Indigenous students starting university more than doubled. Granted, this is from an unacceptably low base; nevertheless, we have seen a doubling of Indigenous commencements, while the total number of domestic undergraduates starting university increased by around 50%. Importantly, data also indicate that the increase in Indigenous enrolments did **not** come at the cost of academic standards or performance.

Concerningly, Harvey suggests that there are early signs that the expansion of Indigenous student numbers starting university slowed in 2018[37], which was the first year the demand-driven system was suspended. This slowing of the growth rate was mirrored among students from low SES and regional cohorts. A very worrying trend indeed.

Education is central to regional development. Without individuals with the necessary skills, quality of life and economic activity will fall. Industry and services in the regions cannot thrive without access to an appropriate pool of talent. And of course, we know that students who are educated in the regions, are far more likely to remain there.

Take as an example the innovative partnership between La Trobe University and the University of Melbourne: this involves an end-to-end rural medical program, funded by the federal government and offered in partnership between La Trobe University and the University of Melbourne. The selection process targets students from rural backgrounds who are seeking a career in the rural health workforce. Those who successfully complete the three-year Bachelor of Biomedical Science (Medical) undergraduate degree delivered at La Trobe's Bendigo and Albury-Wodonga campuses will then gain guaranteed entry into the University of Melbourne's new Doctor of Medicine (Rural) postgraduate degree, based in Shepparton. The selection process targets students with rural backgrounds who are seeking a career in the rural health workforce. This program has already attracted high achieving students into regional campuses (the lowest

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[35] Productivity Commission (2019) *The Demand Driven University System: A Mixed Report Card,* Commission Research Paper, Canberra.

[36] M. Luckman and A. Harvey (2019) "Three charts on how uncapped university funding actually boosted Indigenous student numbers." *The Conversation,* 21 June.

[37] Ibid.

selection rank after VTAC Round 1 in 2019 was 89.05) and will provide a robust future health workforce for regional Australia.

While we're on the topic of CSPs, let me draw attention to the importance of funding additional enabling and sub-bachelor places as an inherent part of the post-secondary education system. The data indicate that students in enabling courses are more likely to be mature age (25 or older), from a low SES background and living in regional areas of Australia. I accept that some data reflects a decline in the proportion of enabling students progressing to a bachelor degree and that these students are also less likely than non-enabling students to complete their degrees within 6 years.

However, perhaps the very reason why we don't see evidence of improved progression and success rates is because we do not adopt an ecosystemic approach to post-secondary pathways. For many students, the barriers are manifold, whether they be financial, aspirational, and barriers set up by the silo-ed nature of our approach to VET and higher education in this country. Certainly, institutions also have a crucial role to play in providing the scaffolding to support student success as they journey along the often-complex pathways to, and through, post-secondary education. Students who have not had the opportunity to demonstrate their capacity through senior school grades such as those from low SES backgrounds, those from regional and remote locations, along with new migrants, need the support and improved outcomes available at the enabling and sub-bachelor levels.

An example of such preparation is La Trobe University's Year 11 pathways program. It is designed to raise aspirations for students from low SES backgrounds in a number of schools in the Albury-Wodonga region. The successful program is now being extended to La Trobe's Shepparton campus. Students engage in academic skills workshops, access mentors through Google Classroom and a place at La Trobe is held for them, subject to successful completion of their preparatory pathway. In the absence of sufficient HEPPP funding, this program is funded through a philanthropic donation.

A critical characteristic of a successful post-secondary ecosystem is strong partnerships between higher education and TAFE, for each plays a role in supporting students to progress successfully. Through La Trobe's sector-leading dual enrolment (degree-diploma) model delivered in partnership with TAFEs, communities in regional Victoria witnessed a healthy growth in participation at our regional campuses.

Through this program, articulation rates to a degree went from 5 per cent to 30 per cent, bringing a cohort of students into higher education who may not otherwise have progressed. However, as a result of the 2017 Commonwealth funding freeze, the dual degree program became unviable. Support for programs of this type, with demonstrable outcomes, needs to be reinstated.

By way of conclusion, I propose the following recommendations to inform government policy and practice:

1. If the sector-wide approach to funding caps must remain, consider partial deregulation where most needed, starting with the regional, rural and remote parts of Australia. And further, apply the principles of equity and flexibility to mitigate against a simplistic one-size-fits-all metrics-based approach that is not sufficient for meeting equity, sectoral and broader economic needs.
2. Prioritise development of a coherent regional post-secondary education strategy, in partnership with universities, TAFEs, industries and communities with a demonstrable track record of successful collaboration and student-centred outcomes.
3. Enshrine the HEPPP funding in legislation, together with increases to stipends (e.g. Youth Allowance) to enable medium-and-longer term strategic approaches to equity and excellence in the Australian tertiary sector.

Regulation, Funding and Online Solutions for Lifelong Learning

Professor Duncan Bentley

Deputy Vice-Chancellor (Academic), Swinburne University

In this paper I would like to put two slightly different angles on the challenge, firstly focussing on regulation and funding, and secondly on technology and online learning. I'd like to examine these areas in the context of the national good and lifelong learning journey. One third of working Australians have no post-secondary education. Those who leave school at Year 10 have a participation rate of 57 per cent, compared to those leaving with a degree who have an 87 per cent participation rate. Those who leave school at Year 10 have a 10.7 per cent unemployment rate, compared to those leaving with a degree for whom the unemployment rate is only 3.3 per cent.[38] In this context, it is quite clear that with AI automation and Industry 4.0, 100 per cent of the workforce will need upskilling or reskilling over the next 5-10 years. However, the pressing need is for those who have no post-secondary education.

Access is also about those of employment age, not just those entering study; access extends to the unemployed and the underemployed; access is about all of the frameworks creating "the Forgotten Australians".

Regulation and Funding

The regulation and funding of the Australian post-secondary education system is linear and old-fashioned. Regulation is binary, it embeds unfairness, and policy is held to ransom by political manoeuvring and machination. What do I mean by this? Well, for example, VET qualifications are competency based, highly restrictive and they do not allow easy transition to higher education. I see it first-hand in a dual sector university, and TAFEs would readily acknowledge that it is very hard to move from one to the other. Regulation by ASQA and Government funding contracts are highly legalistic and make any flexibility to cater to personal learner needs problematic. This is understandable: they are responding to recent market failure. However, I recommend that ASQA and TEQSA should be joined together, instead of acting completely independently under different and often contradictory regulatory frameworks.

The Australian Qualifications framework is currently under review.[39] However, the funding that supports it is linear, making it very difficult to change the ways in which things have been put in place. The system does not cater, for example, for a PhD student to take a Certificate IV in Disability or Web Design. It's not possible to move seamlessly between qualifications in a matrix approach. Surely, in the interest of enabling lifelong learning in the 21st century, this is something we should be able to do. Neither the funding nor the AQF as yet recognise micro-qualifications and short courses that are going to become essential in delivering skills and employment. This has been recognised in many places such as in Singapore where there is an example of a lifelong learning account.

Furthermore, the performance measures that examine how well universities are doing are definitionally exclusive rather than inclusive. Attrition rates, for example, don't cater for the fact that students can and do take leaves of absence for work or other commitments, and they take limited account of moving

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[38] Department of Jobs and Small Business, *Australian Jobs 2019*, https://docs.employment.gov.au/documents/australian-jobs-publication ; Australian Bureau of Statistics (2019) Catalogue Number 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, Aug 2019, Canberra.

[39] P. Noonan et al. (2019) *Review of the Australian Qualifications Framework Final Report 2019.* Canberra: Department of Education and Training.

institutions, changing courses to a lower AQF level, or deciding that they have learned enough for their current employment needs.

Online and technology-based solutions

While online solutions are a major step towards broadening access, I absolutely acknowledge that many who are unable to access education are also not connected to technology. Connection is a key driver of equity and access and should be a major policy initiative.

On the other hand, I note that online provision across Australia has strongly catered to those not otherwise able to attend university. It is a myth that online does not provide the personal support of face-to-face learning. Often students find it far more appealing, to overcome the nerves of entering study, to do a unit online, rather than to go to an unfamiliar campus with large lecture theatres and crowds of people. Online learning frequently allows students to connect with rich and diverse communities and to join networks that are more supportive and personal than on campus. In 2018, more than 87 per cent of Swinburne Online undergraduates and 86 per cent of postgraduates were satisfied with their overall experience compared with national averages for all students of 79 per cent and 76 per cent.

Online providers reach students who struggle to obtain access. Nearly 80 per cent of Swinburne Online initial teacher education students are in low or medium SES groups. A majority of Swinburne Online students are mature-aged, part-time students, and many of them feel under-prepared and nervous about studying again. The intensive online personalised support, tailored to each individual's needs, enables them to succeed in a way that would not have been possible if they had to leave their homes, families and jobs to go to a university campus. And according to the national Student Experience Survey, over 87 per cent of Swinburne Online students are satisfied with student support compared with 73 per cent of all students nationally.

Conclusions

We need a cultural change in Australian tertiary education to include, not exclude. This should shape our funding, our regulation and our Qualifications framework. We are, after all, moving into the third decade of the C21st with outdated systems and frameworks. We should also remember: it is fine for a person to learn in smaller chunks to suit their needs; it is fine to learn online to suit personal preference; it is fine to pick what you learn to help you reskill and upskill and it won't necessarily be linear and traditional. If we don't act on these kinds of initiatives, the number of forgotten Australians will grow.

Part 3: Has Internationalisation Gone Too Far?

The Importance of Internationalisation to Australian Universities

Professor Helen Bartlett

Vice-Chancellor and President, Federation University Australia

What is internationalisation?

We tend to view internationalisation from an international student recruitment perspective only, with an emphasis on controversial aspects associated with the growth in international student numbers, and the challenges that are sometimes associated with that growth. However, in Australia today, universities' success with internationalisation is much broader and spans measures that are both inward and outward looking. I would argue that internationalisation is a far more comprehensive concept, involving not just international student growth, but transnational education that includes aspects such as: overseas campuses; partnerships and student mobility; internationalisation of the curriculum; joint/double degree programs; recruitment of international staff; intercultural experiences through diverse local communities; developing cultural competence of domestic students; international research projects/collaborations; international industry partnerships; and, government to government engagement.

Adopting this broader view is essential to addressing the question posed for this discussion, and from this perspective I would argue that internationalisation has not gone far enough.

Why is internationalisation important?

Universities cannot offer the best student experience or the quality of research necessary to contribute to the knowledge economy without a global perspective. Universities need to create culturally competent graduates who are prepared for work in the global economy. These graduates will have to work in multicultural teams, either at home or overseas, to be tolerant, adaptable, confident and sensitive to different cultures. Internationalised universities are better equipped to prepare graduates with these qualities.

Student enrolment trends

The growth in international education is significant across all parts of the sector and is worth $32.4 billion according to the latest figures from the Australian Bureau of Statistics.[40] Australian universities continue to be particularly successful, with a long history going back to the Colombo Plan. As of September 2019, there were 430,466 international higher education enrolments, representing a 12% growth compared to same time last year.[41] The trends suggest that growth in higher education international student enrolments is likely to continue for the foreseeable future.

Regional universities are not often associated with international student growth, however, at Federation University Australia on-campus international student numbers have almost tripled, from 743 in 2017 to

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[40] Australian Bureau of Statistics (2018)

[41] Australian Government Department of Education (2019) International Student Data, https://internationaleducation.gov.au/research/International-Student-Data/Pages/InternationalStudentData2019.aspx#Pivot_Table

2,172 in 2019, and this trend looks set to continue as the university strengthens its internationalisation efforts.

The source countries for international student growth are interesting to consider. China dominates, followed by South Asia and ASEAN countries, and then the Americas, North Asia, Europe, Africa and the Middle East. However, there is a dominance in the international student profile of Chinese and Indian students, and we have seen less focus on students who are closer to our region.

What are current concerns about internationalisation?

There are a range of concerns about internationalisation, with the current policy focus on students. English language and academic admission standards for international students have recently received more scrutiny and considerable negative media attention. While issues are sometimes simplified or exaggerated, it is recognised that standards and admissions criteria should be consistent for both international and domestic students and support a quality education experience.

Other issues relate to the student experience and safety, the impact of international students on the crowding of city transport, housing and various other infrastructure issues. Broader geopolitical issues are also now creating a spotlight on other areas including cyber security, international research collaboration and freedom of speech. Geopolitical issues are clearly having an impact on internationalisation and are already starting to disrupt student flows.

Future areas of focus

There is a need to focus on greater demographic diversity amongst our key source countries for international students and to avoid an over-reliance on particular countries. The current concentration of students from India and China suggests a need to diversify, particularly by promoting stronger educational engagements with our near-regional neighbours including Malaysia, South Korea, Thailand, Indonesia, Taiwan, Hong Kong, Japan and Singapore. As international borders become increasingly porous, greater student mobility and online global delivery partnerships will also drive increased diversification opportunities.

As noted above, the increasing role of regional universities in international education is important. The opportunities are expanding for international students to engage with regional universities, and the new Destination Australia regional scholarships scheme will encourage students to study at regional campuses. International students are essential to building global knowledge exchange for regional Australia and helping create thought leadership in areas of global regional importance.

The future focus needs to ensure both rigorous admission standards and quality student experience. International students who come to study at Australian universities should be well supported with career services, cultural programs, mental health and English language support. Better data collection and further research is needed to improve understanding of the international student experience and outcomes.

I believe that internationalisation will remain a fundamentally important goal for Australian higher education, with international students continuing to play a critical role in achieving this. A strong international student market looks set to continue and its contribution to global knowledge development in Australia cannot be underestimated.

The International Student Experience and the Role of Higher Education

Mr Jonas Larsen

International Student, The University of Melbourne

Through my international student experience, I have transformed my definition of learning. As an economics student, I learn about the world, its systems and processes. I thoroughly enjoy this structured way of analysing society; however, I have come to appreciate that learning is about so much more than what is in a textbook or on a power-point slide. I arrived in Melbourne with the intention of 'learning' in the academic sense of the word: I would get a degree. Then, I would, hopefully, get a job. Of course, I knew before coming that the education would take place in another country, and that travel, and new cultures would be part of it, but I never imagined all the lessons I would learn outside the confines of a degree. Learning crucially revolves around learning from and about other people, cultures, and societies. Much learning cannot be acquired from a textbook – it must be experienced through interaction and immersion.

We often talk about such 'soft skills' needed to complement the 'hard' and technical skills of a degree. Within the debate around internationalisation, we therefore need to recognise the invaluable impact of internationalisation on the soft skill of cultural understanding, developed by both international and domestic students and staff in an increasingly globalised higher education sphere.

Why are we debating whether internationalisation of universities has gone too far? One place to seek answers is the 2018 International Student Survey, conducted by UMSU International, the peak representative body for international students at the University of Melbourne. This large-scale survey received more than 1300 valid responses and I am very pleased to report that 76 per cent of international students do find their university experience enjoyable. Moreover, 70 per cent are satisfied with the teaching quality of their course. However, understanding course material was found to be the primary challenge. Perhaps, then, lacking understanding of course material is one driver for the issues emerging with the internationalisation of higher education.

International students contribute a substantial revenue stream to universities, riding the wave of globalisation. International education has been Victoria's largest service export industry for more than a decade, and in 2018 generated $11.8 billion dollars in revenue and supported almost 79,000 jobs.[42] In addition to the personal and social benefits of international education, there are clearly significance economic benefits. I strongly believe international education should be developed, but it cannot be to the detriment of standard of delivery. Student welfare must be front and centre. It is, for example, critical that universities ensure incoming international students possess adequate English qualifications. This has been a topical issue recently, demonstrating the dire implications of certain universities blinded by the prospect of profits and, consequently, seeing their international students struggling.

The UMSU International survey further revealed that almost one in three international students feel compelled to minimise their cultural characteristics to fit in. This is a concerning yet fascinating finding given the diversity of Melbourne. Part of the problem stems from insufficient cross-cultural communication and interaction on campus. We see many students gravitating towards groups comprised of people similar to themselves in background, not just in academic situations like tutorials, but also in extracurricular participation. The majority of the respondents to the survey expressed the desire to see interaction

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[42] Victoria State Government, International education, https://djpr.vic.gov.au/priority-industries-sectors/international-education

between cultural groups at the university improved. Universities have a crucial responsibility to promote cross-cultural interaction and combat the political and cultural polarisation observed in society more broadly, to break down barriers and encourage diversity.

The debate on internationalisation also calls for consideration of the purpose of higher education. I know many, if not most, students view university education as merely a stepping stone towards their career. Such a future-oriented focus leads students to always look ahead and, in doing so, they may fail to appreciate all the wonderful opportunities for personal development and fresh perspectives available from cultural immersion on campus. Life is seen as a linear course of events, of which university is merely a means to an end. This narrative can permeate their every thought about university interactions. This idea is perpetuated by the marketing of higher education. It frequently sells the idea of the future rather than the present, promoting the notion that a university can give you just what you need to have the future you want. I believe a larger emphasis must be placed on instead creating the present you want.

The constant focus on the future causes stress, anxiety and mental health issues to emerge. And many of us suffer from this peculiar problem; namely, the inability to properly inhabit the stretch of time we call "the present." The body is rooted in the now, but the mind is always in the future. Decisions are made through this lens, and much of what ruins the present is sheer anxiety about the future. If universities can shift the narrative with less focus on an intangible future, they can ensure students enjoy the present moment with an open mind, broaden their horizons, inspire meaningful connections with people from around the world and, consequently, reduce stress. As found by a Harvard study, strengthening social relationships was the key to a healthier, happier, and ultimately longer life.[43] The stressful worries about employment should not be perpetuated by universities exclusively selling the prospect of a glamorous future as soon as students obtain their degree. Perhaps we would all gain from universities more concerned with selling the message that, as the English poet John Donne once so elegantly stated, "No man is an island."

I will end these reflections on the notion of time with a quote from the exceptional novelist Toni Morrison, whose skilful writing played with the notion of time, warping and masterfully bending it to her will. She wrote:

When you get these jobs that you have been so brilliantly trained for, just remember that your real job is that, if you are free, you need to free somebody else. If you have some power, then your job is to empower somebody else. This is not just a grab-bag candy game.[44]

Equipping students with this ethos of caring for others is, to me, the purpose of universities.

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[43] Harvard Health Publishing, Harvard Medical School, https://www.health.harvard.edu/healthbeat/strengthen-relationships-for-longer-healthier-life
[44] Toni Morrison, quoted online at https://www.goodreads.com/quotes/127937-i-tell-my-students-when-you-get-these-jobs-that

The Successes and Challenges of Internationalisation and the Role of TEQSA

Mr Anthony McClaran

CEO, Tertiary Education Quality and Standards Agency (TEQSA)

The question posed for this discussion: 'has internationalisation gone too far?' is a provocative one, and it is with this polemical phrase, or similar, that recent conversations with journalists about this issue have tended to start, revealing a perception that internationalisation is a problem. I'd like to start this contribution on a more positive note. We know that we have witnessed a great success story in the 11 years since the Bradley Review.[45] In this time, numbers of overseas students commencing higher education almost doubled to more than 400,000 (2018).[46] Over 50 per cent of international students are from China and India, which might be viewed as a concern in terms of the lack of diversification. However, it is also important to note that, if these students are choosing to study internationally, it is a very positive sign for Australian higher education that their choice is to come here.

It is a strong sign of Australia's reputation for high quality international education that Australia is among the world's most popular destinations. Australia is set to overtake the UK as the second most popular destination for international students, after the U.S.[47] This is across the sector, which is currently made up of 175 registered higher education providers. For the great majority of these providers, educating international students is a very successful and important part of what they do. We know about the popularity and desirability of the city of Melbourne as an international destination. In the recent QS rankings, Melbourne ranked 3rd as the world's best city for international students behind London and Tokyo, and six Australian cities were ranked in the global top 50.[48]

Despite a large and diverse higher education sector in Australia, and despite rapid growth, there are positive signs for the sector as a whole. The Tertiary Education Quality and Standards Agency (TEQSA) has recently published an overview of our risk assessments over the past few years, which show that 91% of higher education students are enrolled in low risk providers. We also know that international students have higher progress rates and lower attrition rates on average than domestic students.[49] So, looking across the sector, and looking specifically at international students, there are many very strong positive indicators of success, including in relation to student satisfaction, as we saw in the figures that Jonas Larsen shared with us from the UMSU international student surveys. I believe these results would be largely replicated across the sector. Indeed, the Department of Parliamentary Services revealed that the vast majority of international students are satisfied with their overall study experience, the quality of support provided, the overall learning environment, and 94% are satisfied with the safety of living in Australia.[50]

This discussion is directly relevant to TEQSA's role as the body regulating against quality standards in the higher education sector. From the time that TEQSA was established in 2011, the objects of the Tertiary

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[45] D. Bradley et al. (2008) *Review of Australian higher education: final report.* Canberra: Department of Education, Employment and Workplace Relations.

[46] Department of Education (2018) Selected Higher Education Statistics 2008-2018. https://internationaleducation.gov.au/research/International-Student-Data/Pages/default.aspx

[47] S. Coughlan (2018) "Australia overtaking UK for overseas students." BBC News. https://www.bbc.com/news/education-44872808

[48] QS Best Cities (2019) https://www.topuniversities.com/best-student-cities

[49] Department of Education. Attrition, Retention and Success Rates for Commencing Higher Education Students. https://app.powerbi.com/view?r=eyJrIjoiYWM2NjRkYTktZGJkNC00MGVkLWJlYjItMGRjNTc3Y2FkNmVkIiwidCI6ImRkM GNmZDE1LTQ1NTgtNGIxMi04YmFkLWVhMjY5ODRmYzQxNyJ9

[50] Department of Education (2018). 2018 International Student Survey https://internationaleducation.gov.au/research/pages/data-and-research.aspx

Education Quality and Standards Agency Act (TEQSA Act, 2011) have included the responsibility to promote and enhance Australia's reputation for quality higher education, international competitiveness, excellence, diversity and innovation. Ensuring that Australia's international higher education is of a high quality is therefore intrinsic to our purpose as a regulator and it is written into our legislation.

TEQSA has some challenges as a regulator that relate not only to our regulation of international education here in Australia; we also have statutory responsibility for Australian higher education offered internationally. TEQSA is a very small agency, and the footprint of Australian higher education is a particularly large one. There are some logistical challenges to ensuring that the quality of Australian higher education is of the same standard in Australia and overseas. There are some real challenges relating to location and demography, as well as challenges around jurisdictions, because in the transnational space TEQSA works alongside local regulators who have their own view of the higher education offered in their territorial jurisdictions.

It is very important to us, as a regulator, that we have the right strategies in place to ensure the quality of higher education that is so essential to the success of internationalisation. As mentioned above, we have a very strong foundation within the TEQSA Act for the oversight of quality and standards of higher education. TEQSA also has a National Code of Practice for Providers of Education and Training to Overseas Students (National Code 2018) [51] to set nationally consistent standards and procedures for registered providers, and for persons who deliver education services on behalf of registered providers, and the Education Services for Overseas Students Act 2000 (ESOS Act)[52], to provide tuition assurance and to complement Australia's migration laws by ensuring providers report information relevant to law relating to student visas. In addition, the Higher Education Standards Framework (2015)[53] focuses on international students in a number of places, particularly in terms of orientation and progression, and the responsibilities that providers have to assist international students' transition into courses, as well as adjustment to living and studying here. Finally, we have a TEQSA International Engagement Strategy[54] that aligns with the National Strategy for International Education 2025, which has as its key objectives the need to grasp new opportunities and maintain strong quality assurance systems, ensure strong student protection and build networks and partnerships.

Thus, there is some extremely strong regulatory and quality scaffolding in place around Australian higher education as it operates internationally. However, we are also concerned of course with the experience that international students have in Australia, including whether there are cultural, linguistic or technical barriers to full participation and success, and we are also concerned about students being unclear about who is responsible for issues.

There are risks to students then, and there are also risks to providers. For example, there can be a flatlining or downturns of markets. There can be excessive subject concentration, particularly from very small providers, where students may all be studying the same subject and all coming from one country. One has to question whether such students are gaining a rich experience. There has been a lot of media and public concern about English language preparation and proficiency, and this is a concern we share. TEQSA has responses to these issues at a sector-wide level in terms of reviewing, for example, the current state of play in terms of English language provision. We have strong relationships with regulators in other countries and we work in partnership with them to try to augment the necessary logistical restrictions within the

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[51] Tertiary Education Quality and Standards Agency (2018) National Code of Practice for Providers of Education and Training to Overseas Students 2018 (National Code 2018). https://www.teqsa.gov.au/national-code-practice
[52] Tertiary Education Quality and Standards Agency (2000) Education Services for Overseas Students Act 2000 (ESOS Act). https://www.teqsa.gov.au/esos-act
[53] Tertiary Education Quality and Standards Agency (2015) Higher Education Standards Framework (Threshold Standards) 2015. https://www.teqsa.gov.au/higher-education-standards-framework-2015
[54] Tertiary Education Quality and Standards Agency (2018) International Engagement Strategy 2016 – 2020. https://www.teqsa.gov.au/international-engagement

transnational dimension of Australian higher education. We also have the option, when it is justified, of going to a compliance assessment to examine particular providers to make sure that the quality and standards, and the rich student experience, are being delivered.

The International Engagement of Australian Higher Education

Professor Christopher Ziguras

School of Global, Urban and Social Studies, RMIT

In this contribution I will step back from the Australian experience to some extent and discuss the world context in which what happens here is shaped. Fundamentally, whether we think internationalisation has 'gone too far' or not, I don't think there's any question that it is going to go further and further, but the question is in which direction do we go? What type of international engagement do we want to have?

The reason that I think further internationalisation is inevitable is because the flow of technologies, ideas and people across the globe has been intensifying for thousands of years. Governments can limit certain types of cross-border movements for certain periods of time, but the idea that you can step back from the world and become isolated from it is not, I think, a realistic option. International engagement affects every aspect of tertiary education, from where our furniture is made, to the curriculum we teach, to the people who are teaching and the students who are sitting in the classroom.

To take a historical perspective, what it means to be 'international' has changed quite dramatically over time. Consider the origins of higher education in this country in the colonial era in which entire institutional frames were brought from overseas. The Australian higher education system started as an outpost of the British system; it was largely staffed by people who were educated in Britain, and it was perhaps more international in its beginnings than it has ever been since. Even when I studied here in the late 1980s, coming from a Southern European migrant and Anglo working-class background, stepping into the University of Melbourne felt like entering a British colonial outpost. Coming from the suburbs, I experienced a culture shock in first year to a certain extent; for example, the way people spoke was very different and it was important to enunciate. The colonial heritage has stayed with us for a very long time.

After World War II, Australia's international engagement was closely tied to our position in the Western alliance during the Cold War (1946 – 1991). The Colombo Plan was an effort to cement political relationships with allied states in our region and our curriculum was drawn from the Western hemisphere. We recruited and funded students from allied countries in South-East Asia to come to Australia to shore up our regional alliances. The Soviet Union did the same thing, as did China and Vietnam, and the world was carved up in this way. During that era, we were internationalising, but the influences originated in Western European and North American. I don't think that Australian institutions have ever been 'National.' We have always imported our curriculum, our teachers and our ideas from abroad. I'd say that's true of most post-colonial societies.

In the period of neoliberal globalisation (1991 – 2016), Australia engaged in the global education market better than any country in the world. We had very effective market regulation, strong government support and entrepreneurial institutions. There was a reciprocal exchange of students moving across the globe, and the government funded international study.

Now in a new era of great power competition, since 2016, our international engagements have changed, and states intervene to a much greater extent in the free-flowing market. In some ways our success in recruiting very large numbers of students, and moving students in and out, makes us very vulnerable, because we are so internationalised. Nevertheless, this is not something that can be undone.

This situation is very different from the cold war period, when we saw a splintering of the globe and there wasn't much interaction. Then there was very limited flow of information, people or trade between the East and the West. Now there are dense connections between antagonistic states – trade in goods and

services, investment, communications and movement of people. In this sense, the education sector is in the same predicament as other export industries, which are all vulnerable to political tensions with China in particular. These tensions manifest in anxiety about freedom of speech on campus, cybersecurity, as well as the antagonism between political systems and the deep interplay between them.

I have been undertaking research on the reporting of Australian higher education in Chinese media and considering as part of this research the idea that China can turn off the tap and stop the flow of students, which is viewed as a major threat. Most Chinese students are self-funded, so what can the government do? One clear thing that they can do is influence public opinion through the mass-media. Our project looked at around 300 articles about Australian higher education over about the past 3 years, and examined the tone of reporting, whether the reports are positive or negative, and how that aligns with the political mood. There have been periods of very high tension over the past three years and other periods which are benign. Unsurprisingly, we have found a relationship: during periods where there is political tension there isn't much good news and there might be a few negative articles, and then when there is less tension the articles improve. So, the Chinese media reinforces the government's view about which countries are good places to study.

What's more surprising in the data we are looking at is just how positive Chinese reporting about the Australian higher education system is. Overwhelmingly the articles are glowing about our system. There's very little negative press. I suspect if you looked at Australian reporting of Chinese education, we would see the reverse. Most stories are about deficiencies in the system, anxieties about political control and so on. Even though there is that political tension which animates everyone's thinking, on the ground there are forces of supply and demand and cultural flows which are not going to very quickly disrupt the system.

In summary, when we think about how international universities should be, we need to recognise first that structural drivers of ever-increasing global interconnectedness of higher education systems are still quite robust. Globalisation is not a new phenomenon, and over time the rate of global integration has only increased. Since the late 1800s a particular institutional form originating in Western Europe and North America has become globally adopted, so one can now recognise broadly similar features in virtually any university in the world. More recently we see the global integration of research, technological innovation, and increasing harmonisation of professional education around the world. The important question for me is not whether universities will continue to internationalise, but how they will choose to engage with the next phase of globalisation.