Innovative Research Universities

Funding higher education

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30 April 2012

Learning
Collaboration
Opportunity

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Charles Darwin University

- Nhulunbuy
- Jabiru
- Darwin (Casuarina)
- Palmerston
- Katherine
- Tennant Creek
- Alice Springs
- Yulara

James Cook University

- Thursday Island
- Cairns
- Mt Isa
- Townsville
- Mackay
- Brisbane

Griffith University

- Brisbane (Nathan, Southbank, Mt Gravatt)
- Logan
- Gold Coast

The University of Newcastle

- Port Macquarie
- Newcastle (Callaghan, City)
- Central Coast (Ourimbah)
- Sydney

Murdoch University

- Perth (South Street)
- Rockingham
- Peel

Flinders University

Flinders University also operates in the Northern Territory

- Darwin
- Alice Springs
- Katherine
- Nhulunbuy

- Port Lincoln
- Adelaide (Bedford Park, Victoria Square)
- Victor Harbour
- Renmark
- Mt Gambier
- Warrnambool

La Trobe University

- Albury-Wodonga
- Beechworth
- Mildura
- Bendigo
- Shepparton
- Melbourne (Bundoora, City)

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The question

- Bradley
  - a coherent system? or
  - But half way to somewhere else?

- Towards an answer:
  1. Why do we fund and whom?
  2. The Base Funding Review
  3. Uniform v variable: the resourcing question

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What are we looking for?

- Larger number of capable graduates
- Graduates across array of disciplines
  - To extent that discipline-profession matters for future work
  - Balanced workforce
- Everyone should be encouraged to gain learning and skills
- We know applicants follow their instincts
  - Least bad basis for decision
  - General skills matter in future employment

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Who can learn? Who should?

- APAR
  - Australian Primary Admission Rank
  - Why do we presume every child will start school?
- ASAR
  - Australian Secondary Admission Rank
  - Why then, 0.05 to 99.95, do nearly all go onto high school?
  - Some highly selective schools but most general entry
- We know they can
  - Most agree they should

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Higher Education: Who can and should?

- If everyone can learn to read, can every one learn to graduate?
- ATAR
  - 40% attainment means a wide range
  - Most with ATAR 70+ now applying
    - 25% of recent growth (go8 paper)
  - Many with ATAR 40-70 applying: the rest of the school completers
- Mature age come with range of educational experiences
- We need a measure of capability not rank

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We have massification

- Ugly word for beautiful idea
  - Assumption that most people can gain from post secondary education and training
  - Need not hold back learning of those more naturally suited to higher education
  - Changes nature of universities and other providers
- Supporting a well balanced educated workforce

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The Bradley dispensation

- Expand the supply of graduates
- Universities to compete for students based on meeting applicants' preferences
- Competition through quality and nature of provision
  - Course, location, prestige, teaching style
- Quality regulation of adequate provision and measures of achievement beyond the base

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It's no market

- High level of Government interventions
  - We prevent provider failure through entry regulation
  - The Government directly funds delivery
    - Universities only
  - The Government lends to students on income contingent terms

- A means to achieve Government ends via supporting student choice
  - Market is not the language of Bradley

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How much should we spend?

- ‘We spend’
- Debate is about best use of limited public funds and consequent interaction with private expenditure
  - Can we overspend on higher education?
  - Is the return the same the more you spend on one person?
  - Do “bright” people return better than others on extra investment?
- Malcolm Gillies: “a reasonable education for a reasonable price” in the Age of Austerity

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Base funding review

- A case for additional investment
- A focus on current and future cost pressures
- Proposals
  - Clusters
  - Infrastructure – contemporary learning spaces
  - Access loadings
  - Flagship courses
  - Performance funding
- Keep
  - Common funding undergraduate to postgraduate
  - Research in base

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Impact on the CGS of Base Funding Review recommendations

	2013-14 ($,000)	2014-15 ($,000)	% of CGS base 2014-15
Commonwealth Grant Scheme	$6,258,781	$6,555,316	
Bradley Outcomes			
HEPPP	$187,587	$194,241	3.0%
Performance funding: Participation	$30,987	$29,747	0.5%
Base Funding Review Proposals			
Resetting clusters (Recs 4-6)	$1,063,993	$1,114,404	17.0%
Contemporary learning spaces (Rec 17)	$125,176	$131,106	2.0%
Uncap HEPPP (Rec s 27-28)	$62,764	$67,972	1.0%
Set enabling loading by EFSTL (Rec 29)	Small, with controls retained on enabling load		
Flagship courses (Rec 13)	$187,763	$196,659	3.0%
Performance Funding (Recs 10-11)	$105,400	$119,800	1.8%

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Base funding review proposals

- Proposals
  - Clusters
  - Infrastructure – contemporary learning spaces
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  - Common funding undergraduate to postgraduate
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University Revenue per EFTSL: Current v review

Discipline groups	Current funding arrangements Weights	$$	Base Funding Review Proposed Weights	$$	Difference
Law, accounting, administration, economics, commerce	1.0	$11,286	1.0	$12,633	$1,347
Humanities	1.0	$10,816	1.0	$12,633	$1,817
behavioural science, social studies	1.4	$14,790	1.2	$15,160	$370
Education	1.4	$15,160	1.2	$15,160	$0
Maths, Stats, Computing, built environment, other health	1.6	$17,192	1.6	$20,213	$3,021
Foreign languages, visual and performing arts, clinical psychology	1.6	$16,891	1.6	$20,213	$3,322
Allied health	1.8	$19,293	1.6	$20,213	$920
Nursing	1.7	$18,200	1.6	$20,213	$2,013
Science Engineering, surveying	2.2	$24,033	2.0	$25,267	$1,234
Agriculture	2.6	$28,334	3.0	$37,900	$9,566
Dentistry, medicine, veterinary science	2.7	$29,709	3.0	$37,900	$8,191

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University revenue: Current v Review

Discipline groups	2010 Load	Current funding arrangements			Base Funding Review			% difference		
		Total Revenue	Government funding	Student Contribution	Total Revenue	Government funding	Student Contribution	Total Revenue	Government funding	Student Contribution
Law, accounting, administration, economics, commerce	101761	**$1,148**	$189	$959	**$1,286**	$771	$514	12%	307%	-46%
Humanities	21447	**$232**	$111	$121	**$271**	$163	$108	17%	47%	-11%
behavioural science, social studies	71666	**$1,060**	$655	$405	**$1,086**	$652	$435	3%	-1%	7%
Education	41845	**$634**	$398	$236	**$634**	$381	$254	0%	-4%	7%
Mathematics, statistics, computing, built environment, other health	57494	**$988**	$526	$463	**$1,162**	$697	$465	18%	33%	0%
Foreign languages, visual and performing arts, clinical psychology	55315	**$934**	$622	$312	**$1,118**	$671	$447	20%	8%	43%
Allied health	13717	**$265**	$154	$110	**$277**	$166	$111	5%	8%	0%
Nursing	24912	**$453**	$313	$141	**$504**	$302	$201	11%	-3%	43%
Science Engineering, surveying	82803	**$1,990**	$1,323	$667	**$2,092**	$1,255	$837	5%	-5%	26%
Agriculture	6797	**$193**	$138	$55	**$258**	$155	$103	34%	12%	88%
Dentistry, medicine, veterinary science	18257	**$542**	$370	$172	**$692**	$415	$277	28%	12%	61%
total	**496013**	**$8,441**	**$4,799**	**$3,641**	**$9,380**	**$5,628**	**$3,752**	**11%**	**17%**	**3%**

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Student contributions: Current, IRU and Review

Disciplines	Current charge	IRU Single Rate		Base Funding review: 40%			
				Standard qualifications		Flagship qualifications	
		Current Average	Band 2	Current Funding	Review funding	Current Funding	Review funding
Law, accounting, administration, economics, commerce	$9,425	$7,400	$8,050	$4,514	$5,053	$6,772	$7,580
Humanities	$5,648	$7,400	$8,050	$4,326	$5,053	$6,490	$7,580
behavioural science, social studies	$5,648	$7,400	$8,050	$5,916	$6,064	$8,874	$9,096
Education	$5,648	$7,400	$8,050	$6,064	$6,064	$9,096	$9,096
Maths, Stats, Computing, built environment, other health	$8,050	$7,400	$8,050	$6,877	$8,085	$10,315	$12,128
Foreign languages, visual and performing arts, clinical psychology	$5,648	$7,400	$8,050	$6,756	$8,085	$10,135	$12,128
Allied health	$8,050	$7,400	$8,050	$7,717	$8,085	$11,576	$12,128
Nursing	$5,648	$7,400	$8,050	$7,280	$8,085	$10,920	$12,128
Science Engineering, surveying	$8,050	$7,400	$8,050	$9,613	$10,107	$14,420	$15,160
Agriculture	$8,050	$7,400	$8,050	$11,334	$15,160	$17,000	$22,740
Dentistry, medicine, veterinary science	$9,425	$7,400	$8,050	$11,884	$15,160	$17,825	$22,740

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Uniform funding delivers uniform higher education?

- How uniform are current approaches
  - The tale of Emerald and Peta: uniformity in practice
- Uniform quality? Different approaches but equally good outcomes?

- Compare
  - uniform research funding arrangements
  - Gonski on school resourcing standard

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Variable funding delivers variable higher education?

- Some get it better, if not why invest more?
- Who would that be?
- What advantage to Government as funder?

- Should people be free to buy the top up?
  - Builds off considerable Government investment prior and current
  - Underpinned by Government loans (or not?)
  - Where is the return for public investment from this?

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Diversity in approaches to HE

- What holds us back: resourcing or regulation?
  - Protocols and now Standards define provider types
  - Assumptions that expenditure per head should equal funding
- Which sort of provider wants/needs/deserves less resourcing?
  - The online provider?
  - The niche specialist?
  - The graduate education specialist?
  - The driver of regional prosperity?
  - The lower cost provider?
  - The private provider?
  - The top quality comprehensive university ?

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So:

- Is it evident that spending more on some people drives better outcome than spending a similar amount on all people?
- If we do need to spend more on some who?
  - Do the nice and bright need more?
    - The extraordinarily capable are very few
  - If we invest more in the less capable will we achieve a greater outcome?
- Should we let people choose how much they are subsidized?

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The nature of the degree

- Why is agriculture three times the notional cost of economics?
  - Inefficiency?
  - Difference in requirements to achieve similar ends?
- Hence:
  - Let pricing ration; or
  - Let demand lead without pricing (dis)incentives
- Which supports the goal better?

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The resourcing pool from Government and student

- A resourcing formula that recognises reasonable likely costs
- An aggregate formula: the institution uses as it thinks best
- Discipline variation, hence the clusters
- Recognise student and other external differences more effectively
  - Low SES loading
    - Casually aligns with ATAR/learning skills
    - Invert to fund for perceived learning need not background?
    - Indigenous
  - Other loadings
  - Protect small at risk but important subjects (any?)

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Student charges: a controlled system

- Current three way maxima a mess
- If business students can pay band 3 why cannot anyone else?
- Review proposal of 40%

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Student charges: public good; private good

- Provides a rationale for student payment, beyond that all theoretical
- Originally students were paying 20% or so, now around 40%
  - Strangely 40% is seen as the right proportion
- Chapman and Lounkaew background paper
  - Public good roughly the same for all graduates, not variable by discipline-profession
- UC background paper
  - Highly constrained by limited models and comparator data
  - Yet shows import of the student charge
    - Return reduces to zero at what charge?

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Government and student

- Calculation of overall resource needs to consider discipline cost factors
- Individual advantage varies
- Support demand led system through standard charge tied to funding that covers discipline and other variables
- Basis for each person to pursue capability

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In sum:

- The Government and public interest is to support a broad range of Australians achieve a degree
  - The assumption is that most have the potential
  - As a society we need most people to achieve that potential following their perceived interest
- Demand driven funding supports those willing to do so
- We have only so much to invest in HE
  - Ensure a reasonable resource base to support each student
- The challenge for institutions to meet the range of student needs

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The questionable assumptions

- Universities are only for the most capable
- Mixing the best with others reduces their learning
- More money should be invested in you the brighter you are
- The more you pay the greater the subsidy you should receive
- You cannot over invest in an individual's education
- No higher education provider should ever fail

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