HIGHER EDUCATION
a policy statement

circulated by The Hon. J S Dawkins MP
Minister for Employment, Education and Training
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Acronyms and Abbreviations

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<tr>
<td>ABSTUDY</td>
<td>Aboriginal Study Assistance Scheme</td>
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<td>ACDP</td>
<td>Australian Committee of Directors and Principals in Advanced Education</td>
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<td>ACTA</td>
<td>Australian Council on Tertiary Awards</td>
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<td>ADFA</td>
<td>Australian Defence Force Academy</td>
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<td>AEC</td>
<td>Australian Education Council</td>
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<td>API</td>
<td>Aboriginal Participation Initiative</td>
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<td>ARC</td>
<td>Australian Research Council</td>
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<td>AUSTUDY</td>
<td>Commonwealth age-related scheme of education allowances</td>
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<tr>
<td>AVCC</td>
<td>Australian Vice Chancellors Committee</td>
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<td>CFGA</td>
<td>Commonwealth Postgraduate Awards Scheme</td>
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<td>CSIRO</td>
<td>Commonwealth Scientific and Industrial Research Organisation</td>
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<td>CTEC</td>
<td>Commonwealth Tertiary Education Commission</td>
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<td>DEC</td>
<td>Distance Education Centre</td>
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<tr>
<td>DEET</td>
<td>Department of Employment, Education and Training</td>
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<tr>
<td>EFTSU</td>
<td>Equivalent Full-Time Student Unit</td>
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<td>Higher Education Council</td>
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<td>NBEET</td>
<td>National Board of Employment, Education and Training</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>TAFE</td>
<td>Technical and Further Education</td>
</tr>
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<td>WEETAG</td>
<td>Women's Employment, Education and Training Advisory Group</td>
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PART 1: THE ENVIRONMENT FOR REFORM
1. THE CONTEXT

This Policy Statement sets out the Commonwealth Government's strategy for the long-term development of Australia's higher education system. It marks a new era of growth and opportunity for our higher education institutions, with potentially significant benefits for all Australians.

The release of Higher Education: A Policy Discussion Paper (the Policy Discussion Paper) in December 1987 led to a process of intensive community discussion and debate on the roles and objectives of the higher education system. Over 600 written responses were received from major educational bodies, institutions, professional organisations, government authorities, employer groups, unions, academics and other interested individuals. In addition, the Commonwealth undertook an extensive round of campus visits and consultations with key organisations. The views expressed in written responses and by other means, both formal and informal, have been carefully considered in the development of this Statement. The level of debate and interest generated by the Policy Discussion Paper reflects the strong wish of many Australians to share in decisions taken on the future development of our higher education system.

The Government's strategy for the development of the higher education system is part of a wider agenda of reform spanning all elements of the employment, education and training portfolio. The Government is committed to growth and quality enhancement across the whole of the education and training system - in schools, technical and further education and industry training, as well as in higher education. Details of the Government's objectives in these other areas have been announced in previous policy statements, notably Skills for Australia (September 1987), A Changing Workforce (May 1988) and Strengthening Australia's Schools (May 1988).
The higher education initiatives detailed in this Statement should be viewed in that wider perspective.

1.1 THE COMMUNITY RESPONSE

The great majority of responses to the Policy Discussion Paper supported the broad objectives underlying the Government's proposals for reform of the higher education system.

There was strong support for a major expansion of higher education opportunities. Respondents acknowledged both the high levels of student demand for higher education and the range of pressures - cultural, social and economic - for an increased national investment in education. The need for a better educated and more highly skilled population was clearly recognised and widely accepted.

There was strong support also for the Government's equity objectives in higher education. It was noted that expansion of the higher education system would in itself increase opportunities for access by those groups that have not traditionally participated in higher education. Beyond this, many respondents argued for more immediate action by governments and institutions to broaden the base of participation in higher education. On equity as well as efficiency grounds, there was support in principle for the proposals in the Policy Discussion Paper in areas such as credit transfer, consolidation of institutions and the rationalisation of external studies.

The scope for expansion of the higher education system will depend on both the aggregate level of resources made available and how well those resources can be used. There was broad agreement with the contention in the Policy Discussion Paper that the present climate of restraint in overall public expenditure will require continuing attention to the efficient use of resources in higher education. Opinion was more divided on who should provide the additional resources that will inevitably be needed. Some argued that government alone should bear the costs of expansion, while others supported a broadening of the funding base, in a variety of directions.

The Government commissioned a special investigation of this issue by the Committee on Higher Education Funding (the Wran Committee). The report of the Wran Committee was released on 5 May 1988, and its recommendations are still under consideration by the Government. Final decisions will be announced in the 1988-89 Budget context. To assist the Committee in its deliberations, the Government announced its own commitment to at least maintain in real terms its 1988 level of
spending on higher education. In its plan for the expansion of higher education, to be released at the time of the 1988-89 Budget, the Commonwealth will make a detailed statement on its plans for higher education for the 1989-91 triennium, including specific growth objectives and associated resource requirements.

Where concerns or criticisms of the Policy Discussion Paper arose, they related more often to issues of balance or priorities than to fundamental questions of goals and directions. The concern was commonly expressed, for example, that the Government’s proposals for reform and reorientation of higher education should not distort the system’s traditional functions of intellectual inquiry and scholarship; likewise, that an increased emphasis on science, technology and business studies should not jeopardise the important role of the arts, humanities and social sciences.

Many respondents were concerned to avoid a situation where higher education courses would be tailored to narrow vocational or 'instrumentalist' objectives; others that quality should not be compromised for the sake of quantity; and others that the quest for efficiency and concentration of effort in higher education teaching and research should not lead to a grey uniformity throughout the country.

The Government reaffirms its wish to see far-reaching reforms in the organisation and practices of the higher education system that are to the benefit of students and the community generally. Equally, it reaffirms its view that our higher education institutions should not be isolated from the major changes occurring in Australian society and the economy. Rather, they should be one of the prime agents in the process of change, through both their teaching activities and their contribution to research and innovation.

Within this framework, however, the Government readily acknowledges the legitimacy of concerns expressed by many respondents. To the extent that the Policy Discussion Paper sought to emphasise the need for change without also explaining the associated need for maintenance of valuable traditions, it may not have given an adequate impression of the Government’s intentions. The Government takes the opportunity provided by this Statement to present its objectives in a broader context.

1.2 THE GOVERNMENT’S POSITION

Over the past four decades Australia’s higher education system has evolved to meet many of the needs of a modern society. It has changed and grown in line with changes in the political,
social and economic environment. The total number of students has risen from less than 50,000 in 1948 to more than 400,000. There have been significant changes in structures, curricula, study patterns and student mix in response to changes in community attitudes, to the impact of government decisions and to internal pressures within the higher education system itself.

At the same time, the system has striven to preserve the best of its inherited traditions. Freedom of inquiry and expression, intellectual rigour, a broad spectrum of teaching and research, and the preservation and development of a national culture and identity have all been nurtured within our institutions.

The appropriate future balance between these diverse functions of higher education - between pressures for change and the strengths of tradition - must be assessed against the broader goals and aspirations we set for ourselves as a society.

As a nation, we have consistently voiced our demands for a fair and free society. All Australians expect and deserve an equal chance to succeed in life, with positive assistance given where necessary to make up for financial or other disadvantages.

Access to education is vital. Education is one of the principal means for individuals to achieve independence, economic advancement and personal growth. But in the past, the benefits of higher education have been enjoyed disproportionately by the more privileged members of our community. Those benefits need to be shared more widely and more equitably in the future.

We wish to be a rich society intellectually, culturally and economically. Our goal is a high quality of life for all Australians, and the time and resources to enjoy the fruits of our efforts and endowments. Australia has an abundance of natural resources. Our society must learn how to use these resources responsibly and to conserve them for the benefit of future generations.

The society we want cannot be achieved without a strong economic base. In Australia, this now requires a greatly increased export income, a far more favourable balance of trade than at present and a considerable reduction in our external debt. It also requires a shift in the traditional profile of our economic activity. Our industry is increasingly faced with rapidly changing international markets in which success depends on, among other things, the conceptual, creative and technical skills of the labour force, the ability to innovate and be entrepreneurial.
The larger and more diverse is the pool from which we draw our skilled workforce, the greater is our capacity to take advantage of opportunities as they emerge. The current barriers to the participation of financially and other disadvantaged groups limit our capacity to develop the highest skilled workforce possible and are a source of economic inefficiency. A strong economic base, in turn, enables us to develop a culture that can appreciate and support artistic and intellectual endeavour.

Higher education has much to contribute. It is a primary source of the skills we need in our cultural, artistic, intellectual and industrial life. It acts to gather and preserve knowledge. It promotes greater understanding of culture, often at odds with majority attitudes and, in doing so, supports the development of a more just and tolerant society.

We want to be a society that aspires to excellence and that continually extends its skills and knowledge, rather than one that tolerates mediocrity and stagnation. The preservation, extension and transmission of knowledge by the higher education system both underpins and provides an incentive for such an aim.

We want to be a society that understands its own political processes, enables all citizens to participate in those processes and does not accept without question decisions made on its behalf. Higher education is the source of much of this understanding. We do not want a higher education system that fails to analyse and, where necessary, criticise the society in which it operates, or one that chooses not to spread knowledge among those with fewer opportunities to increase their own understanding of events.

We are, and want to remain, a diverse society whose members respect the individuality of others. Our higher education system needs to reflect this diversity.

- Our institutions have differing strengths and characteristics, and should maintain the positive aspects of these differences.
- Individual students have a wide range of aspirations and needs, for which the system must provide. Institutions should adapt their offerings to the needs of particular student groups.
- There are significant differences in educational requirements across particular States and regions. Institutions should be sensitive to local as well as to broader national needs.
The level of centralised control over the day-to-day issues in teaching, research and management of institutions and their staff must be minimised. Such centralised control is at odds with the need for creativity, innovation and diversity.

1.3 DIRECTIONS FOR THE FUTURE

Within this philosophical framework, the Government is able to respond more directly to some of the common concerns expressed by respondents to the Policy Discussion Paper and to point to directions for the future.

The Government acknowledges the importance of the arts and humanities, as well as the sciences, in the overall spectrum of higher education activity. It recognises that a high quality of life cannot be achieved without a culture of intellectual inquiry based in the arts, humanities and sciences of both Western and Asian traditions. It recognises that all Australians will benefit from an appreciation of Aboriginal cultures and from distinctively Australian studies; these are the foundations of our national cohesion and identity as a people.

Further, it acknowledges the relevance of all disciplines to our current economic circumstances; for example, our economic future as a nation will depend not only on what we have to sell overseas but how effectively we sell our products. The latter task will require not only familiarity with the languages of our region but, more broadly, a knowledge of the history and culture of the countries involved and their ways of doing business.

Later in this Statement, the Government reaffirms its intention that an increasing share of total higher education resources should be directed to those fields of study of greatest relevance to the national goals of industrial development and economic restructuring. It emphasises, however, that this priority will be implemented gradually as part of a significant expansion of total higher education effort. It is not the intention of the Government that institutions should lessen their commitment to the arts, social sciences and humanities, either in teaching or research. Indeed, these fields may well share in the benefits of growth.

The Government also recognises that technical skills are not the only skills required for the future development of our economy and society. On the contrary, employers and industry groups have attested in their responses to the Policy Discussion Paper
to the value they place on graduates with a broad educational foundation and with well-developed conceptual, analytical and communication skills. The general problem solving skills of inquiry, analysis and synthesis are essential to the building of a flexible, versatile workforce able to cope with rapidly changing technology. The traditional distinction between broadly based and vocationally specific education is narrowing, and the long-term interests of students will be best served by courses that incorporate elements of both 'vocational' and 'general' education.

Many respondents to the Policy Discussion Paper expressed concerns for protection of the role of research in higher education. The Government's intention is to enhance the total research capacity of the higher education system in recognition of its key contribution to our social, cultural and economic goals. Both basic research and applied research will be critical in this process.

Australia has a strong international reputation for the quality of its basic research, and it is imperative that this should be preserved and, where possible, strengthened. Simultaneously, there will be a need to improve our poor national record in applying the results of our basic research in an industrial and commercial environment. The appropriate balance between these objectives, and the fields in which we should concentrate our national efforts in research will be matters for urgent consideration by the newly established Australian Research Council (ARC).

Finally, the Government restates its commitment to a higher education system which offers teaching, scholarship and research of the highest quality, and rejects any assertions to the contrary.

The proposals outlined in this Statement are entirely consistent with the quality objective. Concentration of resources and the development of educational profiles will enable institutions to identify and build on their particular strengths, with consequent benefits to students and staff. More flexible staffing arrangements will improve the status of the teaching role within higher education, while rewarding excellence in both teaching and research. The quality of educational outcomes will also be assisted by measures to improve student progress, enhance institutional management and strengthen links with industry.

Reflecting the wide-ranging functions of our higher education institutions, the system as a whole is faced with an array of diverse and often competing pressures and demands.
The adjustments and reforms which the Government itself is proposing will take time to achieve and will occur more readily in an environment of support and expansion. The Government confirms its own commitment to growth in the provision of higher education opportunities for Australians, and recognises that achievement of its other goals will be heavily contingent on that growth.

The Government will also ensure that institutions are free to manage their own resources without unnecessary intervention, while at the same time remaining clearly accountable for their decisions and actions. The system of educational profiles will be an important instrument for this purpose. Institutions will be free to establish their own priorities and develop their strengths, to accredit their own courses, to develop a broader base of funding support and to introduce more flexible staffing arrangements. Unnecessary restrictions will be lifted in areas such as course approval, salary determination and the legislative conditions attaching to the use of Commonwealth grants. Many existing constraints in these areas are no longer warranted.

The higher education system currently costs the Australian taxpayer around $2800m each year. Accountability for the expenditure of these resources will be a shared responsibility.

The Commonwealth will identify national goals and priorities for the higher education system, and ensure that system-wide resources are allocated effectively in accordance with those priorities. At a more detailed level, the Commonwealth will adopt new funding mechanisms that give maximum autonomy and flexibility to institutions in the management of their resources, within a framework of agreed institutional goals and objectives. The performance of institutions against these goals will be a key factor in determining their future levels of income from Commonwealth sources.

Under the Government’s arrangements for a unified national system of higher education, institutions will be funded on the basis of merit and achievement rather than historical precedent and arbitrary classification. The distinctions made between the university and advanced education sectors which have determined Commonwealth funding arrangements for the last 20 years will be removed.

Consistent with the Government’s objective of excellence in higher education, measures will be implemented to encourage institutions to be efficient, flexible and responsive to changing national needs.
These will include

- measures to make more productive use of institutional resources and facilities, including institutional consolidations and more systematic credit transfer arrangements;
- greater targeting of resources at the institutional level and improved institutional management;
- increased flexibility and incentives for performance for both institutions and individual staff; and
- encouragement of an environment of productive competition between higher education institutions.

In short, the Government's reforms are designed to promote a higher education system of maximum benefit to individuals, institutions and the community as a whole. They will achieve this goal by encouraging excellence at all levels of the system and an environment that rewards achievement. It is important that the detailed measures announced later in this Statement should be seen, and interpreted, against this broader objective.

1.4 ROLES AND RESPONSIBILITIES

The Government accepts that the co-ordinated development of higher education towards the goals outlined in this Statement will require the co-operation of all parties.

The States have constitutional responsibility for higher education and its relationship with schools and TAFE, and advise on State and regional priorities for the higher education system.

Effective consultative mechanisms between each of the States and the Commonwealth are necessary to facilitate planning. It has been agreed that a Joint Planning Committee will be established for this purpose in each State and Territory to advise the relevant State and Commonwealth Ministers.

The success of the reforms which the Government has proposed will depend on the co-operation and goodwill of higher education institutions through their governing bodies and their academic and general staff. They will need to involve themselves in long-term and strategic planning, to co-operate with other institutions, their wider community and governments, and to seek ways of enhancing their flexibility and responsiveness to community needs in both teaching and research.
To the extent that institutions are successful in this endeavour, they should in turn be able to generate increased community support including in the form of private grants and endowments.

Industry also will play an important part in improving the relevance and quality of higher education programs. There is considerable scope for a more active involvement by employers in course design and development, through co-operative education arrangements and by other means. Increasingly, industry will also be called on to provide direct financial support for teaching programs and research in higher education.

At the Commonwealth level, the National Board of Employment, Education and Training (NBEET) has been established to advise the Government on the total spectrum of education, employment and training issues. Through its Higher Education Council (HEC) and the ARC, the Board will provide advice on national issues and priorities in higher education, and on the general development of the system. Program responsibilities for higher education will be exercised by the Commonwealth Department of Employment, Education and Training (DEET).
2. GROWTH AND EQUITY

The Government's reforms of the higher education system will provide the basis for a long term expansion of higher education opportunities and greater equity of access to the system and its benefits.

2.1 GROWTH IN THE SYSTEM

The Policy Discussion Paper suggested for indicative purposes an increase in Australia's annual output of higher education graduates from the present level of about 88,000 to about 125,000 by the turn of the century. This proposed increase was illustrative of the growth that would be needed to lift Australian participation in higher education toward the levels achieved in the leading OECD countries. The indicative figure of 125,000 was used throughout the Policy Discussion Paper to enable an assessment to be made of the impact of growth on the system.

The scale of expansion outlined in the Policy Discussion Paper has attracted considerable debate, focused largely on the use of international comparisons as a basis for setting national growth objectives. Views have varied on the most appropriate rate of growth, but there has been widespread agreement that further substantial growth is both necessary and desirable. This agreement applies particularly now, when unmet demand for higher education is already at a high level and is exacerbated by a combination of demographic, social and economic forces.

The Government will determine an achievable rate of growth for each triennium in the light of student demand, labour market requirements and, importantly, budgetary constraints and the capacity of the system to expand intake levels.
Unmet demand

In each of the past four years the national demand for higher education places has been estimated to exceed supply. The latest estimate from the Australian Vice-Chancellors Committee (AVCC) and the Australian Committee of Directors and Principals in Advanced Education (ACDP) on unmet demand suggests that up to 20,000 qualified people, about half of them school leavers, were unable to gain entry to higher education courses at the beginning of the 1988 academic year. This represents a slight deterioration from the situation in 1987, despite growth of over 67,000 places over the past five years.

Estimates of unmet demand for each of the mainland States are shown in Table 2.1. Unmet demand is highest in the three eastern States. In Victoria, it would be even higher if it were not for the funding by the Victorian State Government of over 1000 additional intakes in each of the last three years. The Commonwealth Government will address the problem of unmet demand, including particular circumstances in each State, in implementing its plan for the expansion of higher education.

Table 2.1 Estimated unmet demand for higher education, 1988

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(a) Totals do not equal the sums of components, due to rounding.

Source: AVCC and ACDP

Demographic pressures

Demographic pressures on the higher education system will continue to rise strongly until the early 1990s, when population numbers in the 17-19 year age group begin to decline. As shown in Figure 2.1, however, this decline will be temporary and the number of young people in this age group will return to current levels by the end of the 1990s.
While participation in higher education is in relative terms highest among the 17-19 year age group, a majority of all higher education students (nearly 70 per cent in 1987) are currently aged 20 or more, and 40 per cent are 25 years or older. The rapid growth in these older population groups will provide an additional boost to demand for higher education, counteracting the relative decline in demand from the 17-19 year age group from the early 1990s. Figure 2.1 shows projected trends in a demographic index weighted for the different rates of higher education participation at various ages. Appendix B provides similar information for individual States and Territories.

Figure 2.1 Trends in the 17-19 year age group and higher education weighted population index, 1980 to 2021(a)

(a) The higher education weighted population index shows trends in the 17-64 year old population weighted according to the relative importance of the 17-19, 20-24, 25-29 and 30-64 year age groups for higher education in Australia.

Source: DEET, based on population projections provided by the Australian Bureau of Statistics.
Trends in school retention

There will be additional pressure on higher education places from increasing rates of school retention to Year 12. The rate for Australia as a whole has risen dramatically in recent years, from about 36 per cent in 1982 to 53 per cent in 1987. The Government has set a national retention rate goal of 65 per cent by the early 1990s, and it now seems likely that this rate will be achieved and possibly exceeded. In consultation with State and Territory governments, the Commonwealth will continue to address key factors that influence school retention, including the structure of school curricula and the quality of teaching.

Higher school retention rates will also encourage more students to go on to further education and training. Despite the strong growth in Year 12 retention since 1982, there has been no offsetting reduction in the rate of transfer of Year 12 students to higher education. Indeed, there may well be scope to increase this transfer rate from its present level of about 40 per cent through the provision of special assistance measures directed to those groups which have traditionally not been adequately represented in higher education. The Government will give a high priority to such measures.

Adult training and retraining

There is an increasing recognition of the importance of lifelong education and, in particular, the need for further education and training during working life. The higher education system will play an important part in responding to the growing pressures for skills development and enhancement. These pressures will be associated with award restructuring, changes in industry structure, technology, and in Australia's demographic profile and the role of women in the workforce and society.

Apart from the projected strong growth in the size of the population aged 25 years and over, the proportion of this age group who have completed Year 12 and experienced some form of post-secondary education will increase. There will, therefore, be a larger pool of people who appreciate the benefits of higher education, many of whom will seek to re-enter the system during their working lives.

Graduation rates

The Government believes that future planning of the higher education system should place a greater emphasis on outcomes. Consistent with this view, it expressed its own growth
projections in the Policy Discussion Paper in the form of graduate numbers rather than intake levels. There are substantial inefficiencies involved when high numbers of students fail to complete their courses.

An improvement in graduation rates is recognised as a cost-efficient and desirable means of achieving growth. It need not, and should not, result in any lessening in the quality of our graduates. The Government will support measures that expedite student progress, such as systematic credit transfer arrangements, the use of summer terms for bridging and remedial courses, improved teaching performance and better informed selection of courses by students.

Balance of growth

Priority in the allocation of additional intakes will be directed to areas of strong demand from students and industry, having regard to the likely future needs of the economy and labour market. The Government will continue to give high priority in the 1989-91 triennium to the fields of engineering, science and technology, and business and management studies. Within these fields, particular emphasis will be placed on

- electronic, mechanical and industrial engineering (including product and industrial design);
- computer science, information technology and mathematics/statistics (including teacher education courses in these fields);
- business administration, economics, accountancy and management; and
- Asian studies.

Achieving improved rates of transfer to technology-based courses in particular will require increased participation in mathematics and science at the secondary level. The Government is concerned that the proportion of Year 12 students, particularly girls, currently taking such subjects remains low.

The Government has established, in consultation with the States, a discipline review of teacher education in mathematics and science, covering both pre-service and formal post-experience courses for teachers at all levels from early childhood to senior secondary. A discipline review of computer/information science will be conducted concurrently, recognising that there are complementary issues to be addressed.
The growth to be directed to these defined priority areas will not be at the expense of additional opportunities in the arts, humanities and social sciences. In 1987 about 24 per cent of higher education students were studying in these disciplines, while another 37 per cent were enrolled in teacher education and economics/business courses. The priority to be given to technology-based courses will lead to only a gradual change in the relative balance between enrolments in various disciplines. The Government reiterates its strong commitment to the value of a broadly based education, and acknowledges the vital role of the arts, humanities and social sciences in the overall structure of higher education provision.

Another growing area of importance is post-basic nursing education. Nurses in the workforce who want to upgrade their qualifications and skills constitute a source of substantial demand for higher education places. The increased requirements for post-registration study opportunities in higher education institutions are partly a consequence of the transfer of basic nurse education from hospitals.

While the Government will take this large potential demand into account in funding its growth plans, it expects State authorities and higher education institutions to examine ways in which they might also respond. These might include re-allocation of existing resources to take account of changing student preferences, co-operative action between institutions to eliminate duplication of course provision, and increasing opportunities for work/study combinations. The use of regional hospitals as study centres for the health professions might be appropriate in both the operation of external programs and in co-operative courses.

The role of TAFE

The role of TAFE in providing higher education courses was raised in the Policy Discussion Paper and is dealt with in Chapter 6 of this Statement.

TAFE is a vital element of Australia’s post-school education and training system. It is a major source of vocational education and training opportunities for young people, catering for more than 70 000 school leavers each year. More than 20 000 of these school leavers enter TAFE after completing Year 12; about half as many as enter a higher education institution direct from school. TAFE also plays a crucial role in renewing the vocational skills of the adult workforce.
TAFE is under pressure of unmet demand for its full range of vocational and preparatory courses. Its capacity to expand those courses which are to be classified as higher education is influenced by the demand for other courses and the resources available to the sector as a whole. State governments will continue to carry the prime responsibility for ensuring that the total resources available to TAFE are adequate to meet the diverse range of demands that will be placed upon the sector.

The roles of TAFE and higher education are largely complementary, and it is essential that there be effective co-ordination between the two. The Government will take up with State authorities, through Joint Planning Committees, the part to be played by TAFE in expanding higher education opportunities and the appropriate means of funding such growth.

Funding the growth

The level of growth achievable in meeting the demands of students and the labour market will depend on the availability of resources.

While further efficiency gains in the higher education system are possible, further growth in the system will require the provision of substantial additional resources. In the area of capital facilities, for example, there is a pressing need both for additional capital capacity and for the upgrading and refurbishment of existing facilities. Given the constraints on Government expenditure, new sources of funding will need to be found if substantial growth is to be achieved. The Government is considering the recommendations of the Wran Committee for a contribution scheme for students and graduates, and measures to increase the contribution from industry.

Overseas students

The Policy Discussion Paper noted that there is an international demand for competitively priced, high quality courses in Australian higher education institutions. The sharp increase in enrolments of full-fee paying overseas students between 1986 and 1987 has continued into 1988, with about 3900 such enrolments in higher education courses expected by the end of 1988. This expansion in full-fee overseas student entry has occurred at the same time as the take-up rate of subsidised overseas student places has fallen with only about two-thirds of the national tertiary quota taken up in 1988.
The implications of these trends are being evaluated in the Government’s current review of overseas student policy, which will examine the desirability of changes to current policy from the viewpoint of Australia’s educational, overseas aid and foreign policy interests. Any changes resulting from this review will be implemented from the beginning of 1990.

Overseas qualifications

The report of the Committee to advise on Australia’s immigration policies (the FitzGerald Report) has identified barriers to the recognition of overseas qualifications in its consideration of the economic focus of Australia’s immigration program. These barriers inhibit the ability of migrants to fulfil their potential, both for their own sake and to the benefit of the Australian community. Many migrants are currently required to repeat entire qualifications before being able to practise their profession in Australia.

The report calls for the removal of procedures and barriers in the labour market that discourage both entry and participation of skilled migrants, and has recommended that NBEET take responsibility for developing a strategy to integrate accreditation procedures within the federal body responsible for labour market planning. This has a number of implications for higher education. The Government is currently considering this and other recommendations of the FitzGerald Report and will respond later in the year.

2.2 ACHIEVING NATIONAL EQUITY GOALS

The Government is committed to improving access to and success in the higher education system. This goal is critical to our ability to realise the full potential of all Australians and to produce the highest quality graduates.

Inefficiencies arise because significant barriers still exist to the full participation of disadvantaged groups in higher education. Capable and qualified people from families with relatively low income levels, from rural areas and the disabled, draw less on the benefits of higher education than others. As well, for reasons related not only to income, Aboriginals face distinct disadvantages in terms of access and some migrant groups face particular cultural and language barriers to successful participation and inadequate recognition of qualifications gained overseas. Furthermore, women now account for more than half the total enrolments in higher education, but they remain heavily
concentrated in a narrow range of courses and disciplines. This high degree of concentration is not only a significant barrier to women's full and equal participation in subsequent employment but is also a major source of structural rigidity and inefficiency.

Improvements in access and equity are heavily dependent on growth in the system. Without new places in the system, it will be difficult to change the balance of the student body to reflect more closely the structure and composition of society as a whole.

While growth will facilitate the achievement of greater equity in higher education, growth alone will not be sufficient. As a complement, more direct and specific strategies are needed at the institutional, State and national levels. The development of these strategies requires a close examination of factors influencing both access to higher education and the success rates of those who gain entry. Schools as well as higher education institutions will have a crucial role to play in this process.

Equity concerns have been central to the development of the policies outlined in this Statement. In particular, the Government's proposals for growth, credit transfer, cross-sectoral arrangements, external studies and staffing reforms will be crucial to achieving national equity objectives. The Government has also developed a package of initiatives designed to establish equity goals as an integral part of higher education planning, monitoring and review. Further details of this strategy are discussed in Chapter 5.

2.3 HIGHER EDUCATION FOR REGIONAL AND RURAL AUSTRALIA

Consistent with the Government's concern for growth and equity, the provision of higher education opportunities for people who live outside the major cities is a matter of high priority.

The transfer rates of country school leavers into higher education are consistently well below those of their metropolitan counterparts. These young people are a potentially significant source of extra demand for higher education, and improvements to their access will be an essential part of the Government's overall equity strategy.

The skill needs of the rural sector of the economy have also been taken into account in developing the Government's position on institutional structures, discipline reviews and the targeting of research funding.
In this context, the structure of higher education is important in several respects. Larger institutions are able to attract more industry support by offering a comprehensive range of services and industry involvement in research, and development in the agricultural and mining fields is vital if primary production is to maintain its significant place in the structure of the Australian economy.

For this and other reasons of educational benefit, the Government considers that small regional colleges have much to gain through association with larger and more diverse institutions. Potential advantages of this association include:

- student access to a wider range of study options;
- assistance for research on issues of regional importance; and
- improved course credit and transfer arrangements.

Specialist agricultural colleges would benefit, in particular, through access to the research facilities and expertise of larger institutions.

In some cases, colleges may decide that developing formal arrangements with the State TAFE system is a more effective way of meeting the post-school education and training needs of their community. Indeed, all regional institutions would benefit from strong links with TAFE.

The Government rejects the view that local communities and businesses will not support local colleges unless they are autonomous institutions. The benefits of formal linkages, which are not limited to any single type of institutional merger, are considerable. The Government accepts that the particular form of consolidation adopted for regional institutions should be appropriate to the circumstances of the region concerned, and will examine proposals for mergers and consolidations for evidence of the benefits outlined above. It will not support any proposals that would diminish provision or access in rural areas, and the Commonwealth will not be seeking any campus closures. Nor will it support proposals that would affect the continued operation of existing centres of high quality teaching and research in specialist areas such as agriculture.

Non-metropolitan institutions and campuses will be given special consideration in determining student load, particularly where institutions will be affected by the proposals in this Statement to rationalise external studies provision. Some of these institutions may respond by seeking to shift the focus of their
activities toward increased on-campus provision. The Commonwealth will consider proposals from such institutions for assistance in this process, which could include provision of additional student residential accommodation.

The Government will release a statement on education and training for regional and rural Australia later this year.
PART II: THE UNIFIED NATIONAL SYSTEM
3. THE FRAMEWORK

3.1 A UNIFIED NATIONAL SYSTEM

Commonwealth support for growth and reform in higher education will focus on those institutions which make up the unified national system of higher education. This system will consist of a range of higher education institutions with specific missions agreed with, and funded by, the Commonwealth.

Under the new system there will be fewer and larger institutions than at present, and there will be more effective co-ordination between them on issues such as course provision, disciplinary specialisation and credit transfer. Size is not an end in itself; rather, in most cases, it is a necessary condition for educational effectiveness and financial efficiency. Students will benefit through the concentration of resources designed to promote the highest quality of teaching and research. Institutions will enjoy

- more flexibility to determine the particular courses to be offered and areas of research to be undertaken;

- greater control over their own resources, enhanced revenue-raising options and decreased intervention by governments in internal funding and management decisions; and

- guaranteed triennial funding based on agreed priorities for institutional activity and performance against those priorities, rather than on an arbitrary system of institutional classification.
The new arrangements will promote greater diversity in higher education rather than any artificial equalisation of institutional roles. Institutions that attempt to cover all areas of teaching and research compromise their ability to identify, and build on, areas of particular strength and the achievement of areas of genuine excellence. The ultimate goal is a balanced system of high quality institutions, each with its particular areas of strength and specialisation but co-ordinated in such a way as to provide a comprehensive range of higher education offerings. Diversity and quality are paramount; the unified system will not be a uniform system.

Institutions will be able to compete for teaching and research resources on the basis of institutional merit and capacity. Teaching will remain the predominant activity of all institutions, whereas research activity will vary according to demonstrated capacity. No institution will be guaranteed funding for research across all its fields of study, and only those with a demonstrated capacity will be funded for research across the broad range of their programs.

Institutions that are part of the unified national system will benefit from liberalised resourcing arrangements and a share of the growth in the system. Those that choose to remain outside the system will have no guaranteed base of Commonwealth funding and will be funded by contract for specified teaching activities.

All institutions are invited to apply for membership of the unified national system before the end of September 1988. The final determination on membership will be made by the end of 1988.

This application will require an initial commitment by the institution in the important areas of internal management, credit transfer, staffing arrangements and a common academic year, along the lines discussed later (see Section 3.2 below). Responsibility for achieving the goals established in these areas will rest firmly with the institution concerned and the Commonwealth's longer term involvement will be minimised. The development of agreed performance indicators over the 1989-91 triennium will assist institutions to demonstrate achievements against their specified goals.

In addition, a commitment to the achievement of equity goals will be required for institutions to join the unified national system. However, as an area where qualitative and quantitative goals need to be set and modified over time, equity will also need to be dealt with in detail in the institution's educational profile.
To be an eligible member of the unified national system, institutions must have a minimum sustainable student load of at least 2000 equivalent full-time student units (EFTSU). Institutions which do not currently conform to this requirement will be obliged to merge or establish a formal working relationship with a larger institution; that larger institution will negotiate with the Commonwealth an appropriate educational profile and associated funding arrangements on their behalf.

Besides the condition of minimum size, the Government remains committed to the view that institutions sharing common or adjacent sites should be combined under a single management structure and have a single educational profile. Unless there are compelling reasons to the contrary, this arrangement will be a further condition of membership of the unified national system.

Allowing for the time required for institutions to complete their negotiations on these matters, the Government has decided that the profile-based funding arrangements outlined in this Statement should apply to all existing higher education institutions in 1989. From 1990, however, these funding arrangements will apply only to those institutions in the unified national system, while other institutions will be funded on a contract basis for teaching purposes only. The Government expects that any consolidation arrangements required to qualify for membership of the unified national system will be fully determined by the end of 1988.

3.2 EDUCATIONAL PROFILES

The educational profile is an agreement between the Commonwealth and an institutional member of the unified national system. This profile will be the principal means for defining the role of the institution and the basis on which it receives Commonwealth funding.

For the 1989-91 triennium, a profile will be developed by each institution. The profile will define its broad mission and responsibilities, and establish its particular areas of activity and specified goals. After negotiation with the Commonwealth, the agreed profile will provide the basis for gauging the resources needed to fulfil the institution's mission and goals, and for assessing its performance.

It is crucial that both parties to the agreement - the Commonwealth and the individual institution - are committed to the goals set out in the educational profile. The provision of
funds under the agreement will carry with it an obligation by
the institution to give due regard to national priorities and to
the objectives of improved efficiency and effectiveness. For
the institution, the profile will provide a mechanism that
balances institutional autonomy and the need for
accountability. To be an effective mechanism for both parties,
the educational profile must become an integral part of
institutional planning processes, not merely an adjunct to be
used in negotiations with the Commonwealth.

In the development of educational profiles it is expected that
the governing council of the institution will set a broad policy
framework within which the overall teaching and research program
will be determined. The Government will negotiate the details
of the profile and its funding implications with the Chief
Executive Officer of the institution.

The development of profiles will be a cyclical process. The
initial model will apply to the 1989-91 triennium, with
provision for annual adjustments to statistical data in the
light of actual achievements or other possible developments
occurring after 1989. At the completion of each year, data for
a further year will be added to the profiles so that they will
continue to cover a three-year period.

Detailed negotiations on educational profiles will normally
occur on a three-year cycle, with opportunity for further
negotiation on major alterations or proposed new developments as
the need arises. In the first triennium, the process will be
phased in; there will be an initial round of negotiations to
allocate growth funds for 1989 and resultant pipeline effects
and a subsequent round in 1989 to allocate growth funds for 1990
and 1991.

The initial educational profiles will cover six heads of
agreement.

- A description of the institution's broad mission, together
  with its objectives.
- Details of the scope of the institution's teaching
  activities for the 1989-91 triennium, including
  commencements, student load (EFTSU) and graduations.
- An outline of current research activities and a research
  management plan.
- A statement of intent on measures to achieve national
  priorities, including equity.

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Details of other significant activities.

Approved funding levels.

A descriptive outline of the complete educational profile is at Appendix C.

The teaching component of the educational profile will indicate which teaching activities institutions intend to undertake within the framework of available resources, including allowance for developments arising from growth in the total resources available to higher education in the 1989-91 triennium. The information contained in this section will encompass all teaching activities of institutions other than those associated with full-fee paying overseas students and students undertaking non-award courses, as well as expected outcomes in relation to graduations.

In developing their teaching proposals related to growth in the system, institutions will be expected to give priority to disciplines relevant to national social, economic and industrial development needs. Continued priority will also need to be given to an expansion of opportunities for young people in particular and for those groups that have traditionally been under-represented in higher education. The Government recognises that institutions will vary in their ability to respond to these priorities; responses will depend on factors such as their potential for growth, their fields of specialisation, and their regional and local circumstances.

Within the teaching component of their profiles, institutions will be able to expand some activities, create new ones and contract or eliminate others.

During the 1989-91 triennium, the need for institutions to seek Commonwealth approval to introduce courses of standard length which fall within the present declared classes of new teaching developments will be significantly reduced. This approval will only be required in respect of courses that are outside an institution's agreed teaching profile. The issue of standard course lengths, which is a significant factor in the development of the unified national system, is discussed in the following section.

The research component of the educational profile will outline the institution's research management strategy for the triennium. It will also provide an outline of the coverage of research activity, including the range of fields in which the institution is currently undertaking research and the scale of that activity.
The educational profile will also include a statement of intent in identified areas of national priority. Through this statement, institutions will indicate their goals, strategies, and related performance measures in priority areas. The issues identified in this section will change as new priorities are established and current priorities are realised and incorporated into the regular operations of institutions.

The educational profile is a mechanism to balance the freedom of institutions to manage their own affairs with the need for improved public accountability. Individually, profiles will give an overview of the operations of particular institutions. Collectively, they will show the extent to which the higher education system is contributing to the process of national development.

From the institution's viewpoint, the total profile should be seen as a basis for its own operational planning. As suggested in the Policy Discussion Paper, the key to an effective system of educational profiles will be the commitment of an institution to its stated mission. Through negotiation, the Commonwealth will seek agreement with institutions on their activities, goals and measures of achievement so that, ultimately, all elements of the profiles can be drawn together to form the basis for allocating available resources.

3.3 COURSE LENGTH AND NOMENCLATURE

Under the unified national system, detailed Commonwealth consideration of individual proposals for the introduction, lengthening or upgrading of courses in higher education will in most cases no longer be required. But because of increasing pressures in these areas and their significant resource implications, there is general agreement that a consistent process is needed to ensure that only appropriate lengthening and upgrading of courses occurs.

Decisions to upgrade and lengthen courses at the institutional level normally require the provision of additional resources, the diversion of resources from other essential areas or a reduction in student intakes. Such decisions can also create inconsistencies across the system in the resources and time used to achieve similar educational objectives, thereby creating pressure for resources to be made available for upgrading or lengthening of similar courses in other institutions. This situation can be avoided, and the present system of detailed regulation of new teaching developments replaced, by the development of a national framework of course length and nomenclature.
The development of a national framework will be based on the general principle that there should be consistency in the types and length of similar courses in higher education institutions. This would be achieved through adherence to guidelines developed by the Australian Council on Tertiary Awards (ACTA) or other guidelines acceptable to the Commonwealth. Table 3.1 provides an indication of the maximum length and nomenclature for award courses according to current practice and will be finalised on advice from NBEET.

Table 3.1 Maximum length and nomenclature for award courses

<table>
<thead>
<tr>
<th>Type of award</th>
<th>Duration (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate Diploma</td>
<td>2 years full-time or equivalent</td>
</tr>
<tr>
<td>Diploma</td>
<td>3 years full-time or equivalent</td>
</tr>
<tr>
<td>Bachelor Degree (general)</td>
<td>3 years full-time or equivalent</td>
</tr>
<tr>
<td>Bachelor Degree (professional or vocational) (b)</td>
<td>3.5 to 6 years full-time or equivalent</td>
</tr>
<tr>
<td>Bachelor Degree (honours) (c)</td>
<td>4 years full-time or equivalent</td>
</tr>
<tr>
<td>Postgraduate Diploma</td>
<td>1 year full-time or equivalent</td>
</tr>
<tr>
<td>Master Degree</td>
<td>2 years full-time or equivalent</td>
</tr>
<tr>
<td>Doctor of Philosophy</td>
<td>4 years full-time or equivalent</td>
</tr>
</tbody>
</table>

(a) Based on the present academic teaching year of about 28 weeks duration.

(b) For example: the maximum length of a bachelor degree in engineering would be 4 years; veterinary science 5 years; and medicine 6 years.

(c) For professional degrees longer than three years, the honours program is normally contained within the standard length of award.

In addition to these awards, a new type of award, termed Graduate Certificate, was approved by the Australian Education Council (AEC) in June 1988, defined as having a minimum length
of 0.5 years equivalent full-time study. The Government sees this type of award as being particularly appropriate for introduction on a fee paying basis consistent with the limited relaxation of the fees prohibition for certain postgraduate courses.

In relation to some specific courses and fields of study, there are already standard arrangements in force on which Commonwealth funding is based and which the AEC has accepted as an appropriate national standard. The AEC has taken its decisions on the basis of established practice or on the advice of working parties established by it or by the Commonwealth for this purpose. This procedure is an effective means of establishing a national framework of standards. Thus, for those courses that have been considered through these processes (initial primary teacher education, basic nurse education, radiography and podiatry), the current arrangements will continue to apply and will be used in the negotiation of profiles for 1989.

The Commonwealth will ask NBEET to advise on the maximum standard length and nomenclature of other recognised professional courses (such as accountancy, engineering or medicine) on the basis of current practice. In future, the Commonwealth will look to NBEET for advice on all such matters and will consider requests for a review of standards on maximum standard length and nomenclature on a case by case basis.

Under these arrangements, institutions will be free to offer such courses as they choose that are within their approved teaching profile without referral to the Commonwealth for consideration, so long as those courses are consistent with the national standards.

When the national standards are fully established, the Commonwealth will move to phase out its funding support for any award courses that exceed the new standards in terms of either level or duration. Institutions will remain free, however, to provide supplementary programs or non-award courses to cater to the needs of particular professions or other potential client groups.

3.4 ACCREDITATION

Present arrangements for the accreditation of courses lack the consistency that should apply under the unified national system of higher education. Universities have traditionally been responsible for the accreditation of their own courses, while most colleges of advanced education are bound by the
accreditation procedures of State accrediting authorities. These authorities participate in the system of national registration administered by ACTA, a national body established by the AEC.

The Government considers that those higher education institutions which are members of the unified national system should be responsible for the accreditation of their own courses within a framework of principles and procedures agreed to by the Commonwealth, State and Territory governments. Such a framework should require

- assessment of new courses and periodic reassessment of existing courses;
- the participation of external assessors (including academics, employer groups and professional bodies);
- a guarantee of the appropriateness of the qualifications and experience of staff conducting the course, and of the facilities available;
- adherence to minimum standards of admission and appropriate competence levels achieved; and
- adoption of national standards of course length and nomenclature.

A system of national registration covering both higher education and TAFE awards would be required. The future operation of ACTA may need to be reviewed in this light.

3.5 ACCEPTABILITY OF CREDIT AND CREDIT TRANSFER

In the Policy Discussion Paper, the Government set out its concerns at the ad hoc and wasteful nature of current credit transfer arrangements within the higher education system, and between TAFE and higher education. There has been broad support for the principles outlined.

- The onus should be on institutions to state why designated levels of credit should not be granted, rather than on students to explain why credit should be given.
- Refusal to grant credit for successful completion of an accredited post-secondary course is inefficient and discriminates against some groups traditionally under-represented in higher education, particularly those with TAFE qualifications.
Action to improve credit arrangements must occur at the institutional level rather than being imposed by a central bureaucracy. This will require institutions to develop clear and consistent guidelines on procedures to determine the level of credit to be granted. It will also require them to provide bridging courses and other study programs, as an integral part of their operations, to assist students transferring from other institutions or sectors.

Most respondents to the Policy Discussion Paper agreed that the application of these principles, in conjunction with other initiatives such as a common academic year, would substantially benefit many students. It was also accepted that these principles should not threaten academic quality or institutional autonomy, on the understanding that

- credit for admission purposes would not necessarily guarantee a place on a course where quota restrictions apply; and
- time spent on a previous qualification would not be the sole criterion used to determine the amount of credit to be granted.

However, while there was general acceptance among respondents of the principle of credit transfer, there were few suggestions as to the most appropriate means for ensuring that it occurs.

Since the release of the Policy Discussion Paper, the AVCC and the ACDP have developed a series of guidelines for credit transfer. This has assisted the Government in formulating the principles detailed below. The Government expects all institutions to adopt these principles in their application to join the unified national system.

Credit transfer principles

1. The transfer of credit between institutions offering higher education will be automatic within equivalent types of award where there is comparability between work successfully completed at one institution and components of the course in the institution in which credit is sought.

Students applying for credit, including for work in TAFE courses accredited and nationally registered as higher education courses, may be given block credit, specified credit or unspecified credit.

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Block credit is given for successfully completed periods of equivalent study. Such credit is particularly applicable to courses which are highly structured and have few or no electives, as in many professional faculties where courses are fairly uniform across Australia. Where there is a need to ensure that prerequisite knowledge has been covered, students would be admitted to a particular year with block credit but may be required to complete satisfactorily certain integral parts of the course included in earlier years in the receiving institution.

Specified credit for a particular course component is appropriate when the student has completed a part of a course in which the curriculum is substantially the same, which constitutes at least the same proportion of full-time study, and the standard attained is substantially the standard required for a pass in the specified course component offered in the receiving institution.

Unspecified credit is appropriate when the work completed elsewhere has been in a component of a course for which there is either no equivalent in the receiving institution, or which is considered equivalent to elective components in the receiving institution's program.

2. In assessing applications for credit transfer, the receiving institution should ensure that transferring students receive the maximum possible credit for completed work.

Where the student's ability is not in doubt but elements of basic core curriculum have not been covered, receiving institutions will provide bridging courses or prescribe additional specific studies to be undertaken. Institutions should have sufficient flexibility to modify courses to meet the needs of transferring students, and to enable them to re-order the sequence in which components are undertaken.

3. There should be an agreed minimum proportion of work that must be completed at the awarding institution to qualify for an award of that institution.

As a minimum requirement for any undergraduate award, the final full year of a course or its equivalent should be undertaken in the awarding institution. In courses longer than three years, the appropriate minimum percentage would be 25 per cent.

4. There should be continuing dialogue between higher education and TAFE institutions to establish means by which co-operative planning of TAFE courses, other than those accredited and
registered as higher education, may facilitate credit transfer. In particular, attempts to move to higher education on successful completion of TAFE awards must be made easier for those students who wish to upgrade from para-professional to related professional awards.

Credit transfer and articulation are not objectives to be attained at any cost. Some TAFE courses have a structure and integrity which do not lend themselves to full articulation and credit transfer. Such courses must not be made more theoretical simply to meet the needs of a minority (albeit an important minority) who may wish to transfer at a later date. In such cases, appropriate credit plus bridging courses should be provided where numbers warrant.

5. Individual institutions should codify and publish information on the extent of credit which they are prepared to grant in recognition of work done in other institutions, including TAFE.

The ready availability of information on credit which institutions are prepared to grant will assist students to make informed decisions when transferring from one institution to another, and will assist staff making decisions on the granting of credit to make more accurate and consistent assessments.

6. Arrangements should be available so that students who believe that their previous academic study justifies exemption from particular units of their chosen course may have credit transfer decisions reviewed.

As a safeguard against arbitrary decisions on credit transfer, there must be an effective and efficient means of appeal established within each institution.

In endorsing these principles, the Government expects that published credit statements should detail arrangements adopted by institutions and, as importantly, report on actual practice in granting and refusing credit. This information should be readily available to intending students and the Government.

Adoption of these principles will benefit not only the students affected by current restrictions on credit transfer but also the institutions themselves, insofar as they will reduce the need for case-by-case decisions on how much credit should be granted for previous study. A more effective system of credit transfer is also critical to the success of other initiatives including the expansion of TAFE diploma and associate diploma courses and the effective use of summer terms in higher education institutions.
3.6 PRIVATE INSTITUTIONS

The Policy Discussion Paper acknowledged that private institutions have been part of the Australian higher education scene for many years. The three non-government teachers colleges (Avondale College, McAuley College and Signadou College) and the Marcus Oldham College of Farm Management are examples of current private higher education institutions; each attracts public funding for certain courses by virtue of decisions taken under earlier administrations. The Government intends to continue these arrangements with funding provided on a contract basis for those courses currently supported. These institutions will not be part of the unified national system.

There are also two institutions, the Institute of Catholic Education in Victoria and the Catholic College of Education in New South Wales, which are constituted under State legislation and which are currently regarded for funding purposes as part of the public higher education systems. Subject to the specified requirements for entry, these institutions would be eligible to join the unified national system.

Decisions about the establishment of private institutions are primarily matters for State governments. The Commonwealth does not have the legislative power to influence the development of private institutions directly, although it is able to exercise some influence through its policies in relation to, for example, foreign investment and visa requirements. The Government reiterates its policy that new initiatives to establish private institutions will not receive direct financial assistance, including support for institutional developments such as key centres of teaching and research and special research centres. Commonwealth student assistance grants (AUSTUDY and ABSTUDY) will continue to be available only to students in Commonwealth-funded courses.

At present, research grants are allocated to individuals on the basis of merit. This policy also will continue and individual academic staff at private institutions will therefore remain eligible to apply. Commonwealth postgraduate awards, however, are currently available only to individuals in institutions receiving Commonwealth higher education funding. This arrangement will continue for 1989 pending the review of the Commonwealth Postgraduate Award Scheme (CPGA) to be undertaken by the ARC (see Chapter 9).
4. INSTITUTIONAL STRUCTURES

4.1 CONSOLIDATION OF INSTITUTIONS

The Policy Discussion Paper argued the case for fewer, larger institutions in Australia's higher education system. The Government remains committed to that objective, and has received the in-principle support of the higher education employer and employee associations for amalgamations of institutions.

Many opposed to institutional consolidation have characterised the Commonwealth's position as relying solely on size and efficiency considerations, assuming that numbers alone would determine future institutional structures. The Government reiterates its position as stated in the Policy Discussion Paper:

'Further consolidation that the Government considers to be desirable should therefore take place in a more positive environment where the objectives are described in terms of benefits to students, staff and institutional management. The processes provided by Government will assist in, but not predetermine, these consolidations.'

Accordingly, the Government considers that the assessment of proposals for consolidations should have regard to educational benefits as well as to potential cost efficiencies. Consistent with this, the consolidation of existing institutions should preserve and enhance the strengths of the constituent parts while overcoming whatever inefficiencies may exist.
The current structure of higher education in Australia, which has evolved under a strict binary system, serves none of these purposes to best effect. A unified national system in which institutions are funded according to their strengths and performance, not their titles, provides the basis for a fundamental review of existing structures.

Educational benefits

Larger institutions offer the potential for significant educational advantages. For students they have the potential for access to a more comprehensive range of course and program options, greater scope for transferring between disciplines with maximum credit, and better academic and student services and facilities. For staff, there is the potential from the wider range of courses and programs for enhanced promotional opportunities and professional contacts, more flexibility in the arrangement of teaching loads and an enriched research and scholarly environment.

For the institution as a whole, there are opportunities for improved utilisation of academic resources and for areas of specialisation to be identified and strengthened while, at the same time, providing a broader range of educational offerings. In general, larger institutions have greater flexibility in deploying resources and in responding to changing course requirements and student preferences.

Some potential consolidations have been resisted with the argument that the academic programs of the institutions involved are largely complementary and do not, therefore, produce significant cost efficiencies in academic operations from consolidation. This argument ignores the significant benefits that can still be achieved by consolidation:

- the greater breadth and depth of course offerings available to students. These gains will be greatest if the institutions offer courses in related disciplines, but would still be worthwhile with more diverse subjects;

- likewise, the advantages to staff in the form of wider options for career advancement and teaching/research arrangements;

- economies in administration and other overheads, including, in some instances, capital costs; and

- a stronger foundation for growth in the institution, together with additional opportunities for Commonwealth financial support.
Growth in educational opportunities will provide a stimulus to economic growth in regional centres and wider benefits to the local community. To the extent that a broader range of course options is developed, students will be encouraged to remain in the region rather than moving to metropolitan institutions to study. This should also assist in enhancing equity in educational participation.

As discussed in Chapter 5, there are still substantial inequities in community access to higher education. Structural rigidities have been an important factor in the perpetuation of these inequities. Addressing this structural problem will require institutions to provide a broader range of entry options; to grant automatic credit for previous studies towards higher qualifications; to provide a continuum of courses from two-year vocational courses to higher degrees; and to provide a wider range of support services and facilities for their students. Consolidation arrangements which facilitate the achievement of these ends will be an important source of greater equity in the system.

Institutional efficiencies

The Policy Discussion Paper proposed that a student load of 2000 EFTSU be the minimum load for an institution to qualify for membership of the unified national system; that a load of 5000 EFTSU should justify a broad teaching profile and some specialised research activity; and that a load of 8000 EFTSU would be the base for a relatively comprehensive involvement in teaching and research.

These benchmarks have been the source of some criticism and concern. The recently released report of the House of Representatives Standing Committee on Employment, Education and Training, Setting the Course: Report on the Efficiency and Effectiveness of Institutional Practices in the Higher Educational Sector, commented on the issue of size of institutions. It noted that institutions with less than 2000 EFTSU may incur a cost penalty, but that a preoccupation with institutional size and cost per student directs attention to inputs rather than outcomes. The Standing Committee considered that debate should focus on the educational requirements of the community that an institution serves and the institution’s performance in relation to the mission it has adopted.

The question of appropriate size is not easily resolved. A measure of average cost per EFTSU has superficial attractions as an indicator of cost efficiency, but is heavily influenced
by an institution's discipline mix. Administrative costs, on the other hand, should not vary significantly with the mix of disciplines offered, and there is evidence that institutions with fewer than 2000 EFTSU spend a significantly greater proportion of their budgets on administration and related costs than those with higher student loads.

It has also been widely accepted that a certain minimum size should be attained by institutions before they qualify for a broad-ranging profile in teaching and research. While the level of that threshold, and the basis of its measurement, have been matters of debate, none of the critics of the Government's proposals has put forward any clear evidence in support of alternative benchmarks.

The Government, therefore, affirms its view that 2000 EFTSU will represent the minimum size for participation in the unified national system. Institutions smaller than this, with no short-term prospects of achieving this size, will need to develop firm proposals for consolidation with other institutions in the system or seek incorporation into State TAFE systems. Continued Commonwealth funding from 1990 within the unified national system will be contingent on consolidation.

Of the 21 institutions currently with less than 2000 EFTSU, 10 are specialist institutions in performing and visual arts, health and agricultural science areas. Submissions from many of these institutions maintain that the nature of their courses must be protected through independence. There are, however, examples in other States of similar programs in these areas being delivered successfully within larger multidisciplinary institutions. The Government believes that the strengths of these small institutions' programs can be preserved and enhanced through appropriate consolidations.

The existence of separate institutions on closely adjacent sites is largely an artefact of the previous binary system, under which institutional identities were determined more by sectoral classification than by educational purpose. There has been general support for the Policy Discussion Paper's proposal that, under a unified national system of higher education, such institutions should be merged. The Government expects that amalgamation proposals in each State will place contiguous institutions or campuses within a single institution. Among other benefits, such action will remedy some of the inefficient and inappropriate structural arrangements that resulted from the 1981-82 round of amalgamations.
While there will always be a diversity of higher education institutions in terms of their size, mission and style, the Government encourages institutions with a student load in the 2000-5000 EFTSU range and with little prospect of substantial future growth to give serious consideration to their future as independent institutions. Institutions in this category, particularly those well below 5000 EFTSU, are unlikely to be able to efficiently support a comprehensive teaching program spread across a broad range of academic fields. Nor are they likely to have the capability to undertake significant research across a broad range of fields.

The major constraint faced by these institutions is the limited number of academic staff that can be supported within available resources. If these staff are spread across too many different fields, the institution cannot provide a sufficient pool of expertise in any particular field to supply the necessary range of options in broadly based professional programs, nor ensure the continuity and stability required, especially in postgraduate research. On the other hand, if the staff are concentrated in only a few major fields, the institution can offer only a limited range of well-balanced academic awards and is susceptible to sudden and substantial shifts in student demand. For these reasons, the Government believes that institutions in this category should pursue some form of consolidation so that they are better able to provide teaching across a wide range of academic programs and to achieve a reasonable balance in their research activities.

These difficulties are substantially reduced as an institution grows beyond the level of 5000 EFTSU. In particular, at around 8000 EFTSU there is the basis, in terms of both staff numbers and resources, to provide a wide range of programs and study options while maintaining a comprehensive research infrastructure.

The Government will, therefore, retain the 5000 EFTSU and 8000 EFTSU benchmarks as a guide to determining the appropriate range of an institution's teaching activities and in assessing the extent to which it should be funded for research across its educational profile.

Future arrangements

Consolidation may take a variety of forms. It does not necessarily mean an amalgamation or total absorption of a smaller institution into a larger one, involving the full integration of its academic programs and administrative functions. Nor will it ever mean the elimination of higher
education provision in a region or locality where it is currently offered. Various arrangements are possible - involving affiliation or association, for example - to ensure that the special features of an institutional component are protected, where appropriate, and to take account of particular academic and/or geographical considerations. That stated, it is also true that the maximum educational, equity and efficiency benefits will normally result only from a full amalgamation or merger. Accordingly, this should be the preferred solution in most circumstances.

The Government recognises that the economies of consolidation will take time to effect and that efficiencies can only be achieved progressively through the review of current course offerings and administrative structures. These efficiencies, when realised, will remain available to the institution to expand the number of student places or to enhance its academic programs in other ways.

The potential benefits to institutions of consolidation are substantial. The Policy Discussion Paper cited evidence of annual recurrent savings of $1.4m from the merger of the Lincoln Institute of Health Sciences with La Trobe University and $1m from the rationalisation of the Western Australian College of Advanced Education operations to four campuses.

Where institutions merge or otherwise consolidate, the operating grants of the constituent components will be added to form the operating grant of the combined institution. Budgetary savings are not the Government's objective. The Government will also directly support those consolidations which meet its requirements and objectives. In particular, the Government will:

1. provide additional funding for early retirement and redundancy schemes from the Reserve Fund, as outlined in Chapter 8;
2. allocate additional capital funding where that is essential to achieve economies and efficiencies; and
3. give priority in the allocation of growth funding to newly consolidated institutions.

The Government is aware that some mergers are likely to involve the establishment of multi-campus institutions with widely dispersed sites. It is accepted that mergers of this kind do not immediately provide economies of scale. Nonetheless, the substantial educational benefits available to the institution will ultimately make it more effective than a group of smaller independent institutions.
Consolidated institutions will not be exempt from decisions affecting the higher education system as a whole. Like other institutions, they will be subject to arrangements such as the one per cent Reserve Fund, the redirection of research funding away from general recurrent grants to targeted schemes, and the progressive equalisation of the funding base of institutions with similar teaching and/or research profiles. Details of these arrangements are provided in Chapters 8 and 9.

Specific proposals

A number of possible restructuring proposals have already been put forward by institutions and State authorities, and reviews of institutional structures are in progress. The Commonwealth has not dictated the terms of these reviews, although all respond more or less directly to the Policy Discussion Paper.

As specific proposals come forward as a result of these reviews, the Commonwealth will consider them on their merits. To that end the Commonwealth has already given specific endorsement to

- the merger of Lincoln Institute of Health Sciences with La Trobe University;
- the rationalisation of the multi-campus operations of the Western Australian College of Advanced Education;
- the proposed merger of Darwin Institute of Technology (including its TAFE functions) with the University College of the Northern Territory;
- discussions on the merger of the University of Newcastle with the Hunter Institute of Higher Education; and
- discussions on the future development of a university for western Sydney incorporating Nepean College of Advanced Education and Hawkesbury Agricultural College.

The Commonwealth is aware of further amalgamation proposals that are well advanced and that appear to warrant its full support:

- the merger of Melbourne College of Advanced Education with the University of Melbourne; and
- the merger of the University of New England, Armidale College of Advanced Education and Northern Rivers College of Advanced Education.
The Commonwealth is also aware of discussions currently underway in South Australia and, pending advice on preferred options, would support a two or three institution model in that State. In addition, the Commonwealth would support some rationalisation of higher education in Western Australia and notes that the Senates of Murdoch University and the University of Western Australia have begun discussions. In Victoria, the State Government has established a committee to advise on proposals for changes to higher education structures in the State. The Commonwealth is being informed of the committee's deliberations.

For its own part, the Commonwealth has commissioned a review of the Australian Maritime College, including the possibility of its incorporation into a single institution in Tasmania.

In addition, the Commonwealth is examining institutional arrangements in the Australian Capital Territory where there are three public institutions offering higher education, the Australian National University, Canberra College of Advanced Education and Canberra Institute of the Arts. It will shortly announce its intentions on future organisational arrangements in the ACT.

Also located in the ACT is the Australian Defence Force Academy (ADFA) which is a university college of the University of New South Wales and already benefits from that close academic relationship. Its particular mission, the undergraduate education of officer cadets of the armed services, distinguishes it from other higher education institutions in Australia. Nevertheless, there are core elements of its academic program that are offered in many institutions. Its location and the fact that some of its postgraduate programs are available to civilian students require that there be close working relationships with any new institutional arrangements in Canberra to avoid duplication of facilities and offering of courses.

The Government expects that there will be a substantial number of further consolidation proposals in all States.

Proposals for consolidations will be considered by the relevant Joint Planning Committee on a case-by-case basis. The Commonwealth's interest will be to achieve the maximum educational, equity and efficiency benefits of consolidation proposals and to ensure that the strengths of existing institutions are retained under new arrangements.

Allowing for the progress already made in this area, the Government expects that proposals for consolidation in each State should have been agreed by the end of 1988, for implementation in the course of 1989.
4.2 EXTERNAL STUDIES

External studies (or distance education) has a key role to play in achieving the Government's objectives of growth and greater equity in higher education. In this context, the Policy Discussion Paper outlined proposals for enhancing the provision of external studies by reducing duplication, fostering co-operation between providing institutions and improving the overall quality, availability and efficiency of external studies courses. This Statement confirms those objectives and proposes specific measures to assist in their achievement.

Growth and access

The wide range and accessibility of external studies in Australia makes it an essential element in attracting more people into higher education. Over the period since 1975, the number of external students in higher education has risen from less than 18,000 to nearly 48,000, and as a proportion of total higher education students from 6.4 per cent to 11.5 per cent.

External studies cater for a wide range of people who find on-campus study unsuited to their personal circumstances. Mature age students especially are attracted to the external study mode. Over 80 per cent of external students in 1987 were aged 25 years or older, and they accounted for more than a quarter of all higher education students in that age group.

In particular, external studies are of vital importance to people in rural and geographically isolated areas, for many of whom it is the only means of access to higher education. It is therefore a key element in the Government's overall equity strategy for higher education.

The Commonwealth is committed to further substantial expansion of external study opportunities, especially for people from more isolated communities. To achieve this objective with available resources, however, it will be important to improve the efficiency of operation of Australia's distance education network.

A total of 48 institutions provided external studies across Australia in 1987, of which five accounted for almost half of all external students. The 27 institutions with fewest external enrolments accounted in total for only 4800 external students, an average of fewer than 200 per institution. For the most part, each institution took responsibility for
developing its own course materials and external student services; collaboration on these matters was the exception rather than the rule. The Government does not believe that this situation is satisfactory on either educational or efficiency grounds.

At the same time, Australia is well regarded internationally for the quality of its course materials and student services in external studies. Reflecting this, a qualification gained by external means is regarded equally with a qualification gained by on-campus study. The Government recognises the importance of these quality considerations and its proposals are consistent with the maintenance and further enhancement of quality.

Rationalisation of external studies

The AVCC, the ACDP and the academic staff associations have all agreed on the need for rationalisation of external studies provision to improve the quality and increase the efficiency of delivery.

The area where most economies could be achieved by concentrating resources is in the development and production of external programs. Expensive infrastructure - in terms of both staff expertise and equipment - is necessary for the production of high quality external materials.

It is clear, however, that economies of scale in the production of high quality materials can only be realised with comparatively large numbers of students undertaking any given course. Widespread provision of large numbers of different courses in the same field of study to small groups of students, as occurs under current arrangements, is demonstrably inefficient. Although it is difficult to determine the critical level precisely, an enrolment of around 3000 external students (approximately 1300 EFTSU) would probably be necessary for an institution to maintain an efficient and high quality operation across a number of different disciplines. The greater the number of students involved in any individual course, the more substantial are the potential economies of scale.

The Policy Discussion Paper suggested that the system-wide costs of external studies could be reduced by limiting the number of institutions with responsibility for production of course materials. There are few, if any, significant savings to be achieved by reducing the number of institutions which
are actually teaching courses. The Government has therefore decided on the following arrangements to rationalise the production of external studies materials in Australia.

There will be about six Distance Education Centres (DECs) which will be funded by the Commonwealth to develop, produce and deliver external studies. Designated DEC institutions will be expected to have a broadly based educational profile and to meet national as well as State needs in external studies. Only those institutions with a strong external studies infrastructure, a broad range of courses available or able to be developed, a demonstrated capacity to develop and deliver high quality materials and a willingness to ensure the broadest possible access to geographically isolated areas of Australia will be considered as DECs.

It will on occasion be necessary to develop a specialist external program outside the educational profile of any of the designated DECs. In such cases, appropriate contractual arrangements would be made by a DEC with another institution that has the relevant subject-matter expertise.

Selection of the DECs will be undertaken on a competitive basis and offers to be designated a DEC will be made for a minimum period of 5 years, with renewal subject to review.

The Government will provide an opportunity for institutions to submit an expression of interest seeking designation as a DEC. Institutional proposals will need to address the criteria set out above and outline the infrastructure and unit costs of course development, production and delivery.

The rates at which the Commonwealth will fund external students will be determined following an assessment of the costings included in these expressions of interest. Allowing for the economies available in course development and production, it is expected that the average total cost per EFTSU for external courses will be less than the rate currently funded by the Commonwealth which is equivalent to that for on-campus students.

Institutions teaching a particular discipline internally may also offer an external course in that discipline, using one of the nationally accepted external course packages developed by a DEC. Tutors and other student support services would be provided by the teaching institution, which would also grant its own award. A system-wide rate per EFTSU will be struck for the delivery of external courses. A service fee per EFTSU will also be paid by the Commonwealth to the DEC responsible for the development and production of the course; this could
be a differential rate depending on the number of students involved. Since delivery-only institutions will not incur course development costs, they will attract Commonwealth funding at a significantly reduced rate.

The Government would expect institutions to adjust as quickly as possible to these new arrangements. Those institutions which wish to retain a teaching/delivery function in external studies will need to arrange for the supply of appropriate course materials from a DEC. Those which decide to withdraw from external studies, whether fully or partially, will need to arrange for continuing students to either finish their current courses of study or to transfer to a DEC without disruption to their programs. Institutions seeking to be designated as a DEC will be required to co-operate in ensuring a smooth transition to the new arrangements.

The Government expects that these arrangements will be in place by January 1990 and that, as a result of the process of rationalisation, substantial efficiencies will be realised. These efficiencies will support further growth in external studies and consideration will be given to providing additional funding to DECs and teaching institutions to expand their student load. The Government also recognises that it may need to provide special adjustment assistance to enable some institutions not designated as DECs, and who decide to withdraw from external studies, to increase their on-campus enrolments.

The operation of the new arrangements will be monitored closely to examine the extent of efficiency savings realised, the adequacy of service fee and delivery rates of payment, and the overall impact of the arrangements on students, institutions and the quality of courses.

There is a growing trend towards the use of high quality instructional packages developed for external studies to improve the quality of teaching for internal students. The Government has no wish to discourage such developments. All institutions should have access to accepted national external course materials, and supporting technologies, for use in the courses provided for their on-campus students.

The Government proposes to establish a co-ordinating mechanism comprising those institutions designated as DECs, a number of teaching institutions and the Commonwealth to assist in this monitoring and review process. This group would also be able to consider further rationalisation of courses among the DECs, arrangements for filling gaps in provision and ensuring the development and delivery of the highest quality programs, including the use of advanced technologies.
5. EQUITY STRATEGIES

The Government is committed to the development of a more equitable higher education system with improved opportunities and outcomes for all Australians. It believes that higher education should be acknowledged as a legitimate aspiration for those who satisfactorily complete 12 years of schooling or can demonstrate an equivalent capacity as mature age students.

Improving equity will do more than just assist disadvantaged groups. The Australian Manufacturing Council, in its issues paper, Skills in Manufacturing Industry: Future Directions (February 1988), stated that as a fundamental requirement for the development of a more dynamic and effective skilled workforce

'equal opportunities for skill acquisition need to be expanded to all groups in the workforce, particularly those that have traditionally had limited access to training...'

Higher education, along with schools and TAFE, has a vital role in improving the skill base of the population.

Part of the strategy for achieving equity in higher education is to provide growth in the higher education system; details of this are discussed in Chapter 2 of this Statement. But growth alone will not be sufficient. The Government will develop a long-term strategy that will make equity objectives a central concern of higher education management, planning and review. To this end the Government intends to

- develop a co-ordinated national approach to achieving equity objectives in higher education;
- promote equity objectives as an integral part of institutional planning, monitoring and review; and
encourage a climate of innovation and experimentation, and the application of proven approaches towards achieving equity goals.

The adequacy of income support schemes (ABSTUDY and AUSTUDY) is central to any consideration of broadening access to higher education. The Government has made substantial improvements to these schemes in recent years, with remarkable success in terms of increased school retention rates without reducing transfer rates to higher education. The Government will consider further refinements to these schemes to improve access to higher education for disadvantaged groups.

5.1 A CO-ORDINATED APPROACH

As well as providing guidelines on equity objectives, the Commonwealth will co-ordinate national action to promote greater equity in higher education. Specifically, it will

- develop a coherent national overview of equity problems, current initiatives and gaps in provision as a basis for development of institutional strategies;
- create an environment in which institutional managers can identify, implement and monitor progress in the achievement of specific institutional equity goals; and
- operate specific purpose programs to provide additional funds in recognition of the relatively high initial costs of equity programs, and to deal with equity problems that are more effectively handled on a national basis.

The Government sees the need to develop a coherent national overview of equity as a basis for the development and assessment of institution-based strategies. Accordingly the Government will

- develop a statement of national equity objectives in higher education;
- identify gaps in current provision;
- develop guidelines and suggestions for institutions to take up in their planning; and
- review the role and effectiveness of Commonwealth targeted programs.
In November 1987 the Government adopted specific targets to be reached by the year 2000 in relation to Aboriginal participation and graduation rates in higher education. A Task Force has been established to develop a National Aboriginal Education Policy which will provide a framework for action to improve the participation of Aboriginals in higher education. A draft National Policy and Plan of Action for Women in Tertiary Education was circulated by the former Commonwealth Tertiary Education Commission (CTEC) in December 1987 and this will provide a basis for developing national objectives for women in higher education.

Advice on these issues will be provided by NBEET, its Councils and Women's Employment, Education and Training Advisory Group (WEETAG), established to advise on issues of women's access and participation in employment, education and training. The Government is also establishing new arrangements to promote consultation with Aboriginal communities on employment, education and training matters.

5.2 INSTITUTIONAL STRATEGIES

Institutions will be asked to specify appropriate equity goals, strategies, priorities and measures of performance as an integral part of their educational profile statements. Equity goals will vary by institution according to the nature of disadvantage occurring in a particular region, the educational profile of the institution concerned and the results achieved from previous equity initiatives.

The statement of national equity objectives will form the basis for further negotiations between the Commonwealth and institutions on the development and funding of their equity proposals. Future general funding allocations will have direct regard to the progress made by institutions towards achieving agreed equity goals.

The equity goals of institutions should be based on an analysis of the nature and level of disadvantage experienced by different client groups in the institution's student population and wider catchment area. This analysis should examine any significant variations in educational participation and outcomes, including differences in the rates of student progress and graduation. In the development of their profiles, institutions will need to address such issues as

- the establishment of links with schools, through initiatives such as the Tertiary Awareness Program in
western Sydney, to promote access to higher education for a broader range of students and other special arrangements with 'feeder' high schools which have low transfer rates to higher education;

- selection procedures and admission requirements, including the use of criteria other than a single 'tertiary entrance' score based only on school results, and the recognition of overseas qualifications;

- arrangements for credit transfer, particularly between TAFE and higher education;

- improving articulation across different levels of education and training, and particularly with TAFE, to maximise opportunities for upgrading or retraining;

- the use of bridging, remedial and English language courses to cover existing gaps in students' skills and knowledge;

- measures to increase participation by women in honours and postgraduate programs, research activities and areas such as the technologies where women's participation has traditionally been low;

- the adequacy of current student support services, including counselling services, tutorial assistance, child care, careers information and vocational guidance;

- proposals to develop additional services and innovative programs to improve success rates;

- the review of curricula, staff development and teaching processes to ensure the relevance of courses to a broad range of client groups and to remove any elements of bias on grounds of income, race, culture or sex; and

- organisational arrangements in institutions, including measures to improve flexibility in matters such as timetabling, access to libraries and computer facilities, attendance requirements and mid-year intakes.

5.3 TARGETED PROGRAMS

In 1988 the Government has continued its support for the following equity programs:
Aboriginal programs including the Aboriginal Participation Initiative (API) which is a program of earmarked places for Aboriginals in higher education, and the Special Course Funding under the ABSTUDY scheme and elements of the Grants for Aboriginal Education and Training which provide a range of special assistance for Aboriginal students including entry and bridging courses, support arrangements and the extension of off-campus arrangements.

The Higher Education Equity Program, through which funds are provided for initiating and trialling new equity policies and programs and extending existing initiatives.

More specifically, the Government has recently approved the establishment of a Key Centre for Teaching and Research in School Science and Mathematics for Women and Girls in recognition of the need to boost female participation in these key subjects. In addition, the Multicultural and Cross-cultural Supplementation Program, established as a component of the National Policy on Languages, has funded projects designed to support the introduction and extension of community language elements and cross-cultural communication skills in various professional and para-professional courses in order to help graduates provide a more effective service to their clients.

The Government recognises the costs involved for institutions in implementing their equity goals, and will expand its funding for targeted programs over the next triennium to assist institutions to increase their efforts in this area.

Aboriginal programs

The Government will continue to set aside a proportion of growth funds to support further increases in Aboriginal participation in higher education. In 1987 there were almost 2000 Aboriginal students enrolled in higher education, more than double the number enrolled in 1984. Institutions with a proven record in supporting Aboriginal students will be the prime beneficiaries of further growth in this area.

Special efforts will also be made to increase participation by Aboriginals in fields of study where they are significantly under-represented (especially in professional fields such as medicine, law, engineering, pharmacy, dentistry and veterinary science), and to focus institutional attention on using resources provided to improve outcomes for Aboriginal students.

One institution with an impressive record in tertiary education for Aboriginals is Batchelor College in the Northern Territory. This College has specialised in meeting the needs of traditional
Aboriginals from remote areas and has attracted widespread support for its programs, particularly in teacher education. To date, however, development of higher education courses at the College has been constrained by the need to rely on annual funding allocations under the API. The Government will therefore move to place its funding on a more secure basis for the 1989-91 triennium.

Future Commonwealth support for agreed higher education courses at Batchelor College will be provided through a triennial operating grant. Funding will be provided for the full three years of the College’s Associate Diploma in Teaching, in recognition of the substantial bridging element involved in this course. The Government will negotiate with the Northern Territory Government an agreement that provides for joint funding of the College’s operations.

Special course funding under the ABSTUDY scheme is under consideration in the broader context of the Aboriginal Education Policy Task Force review.

Higher Education Equity Program

The existing Higher Education Program of grants for pilot initiatives, introduced in 1985, has been useful in demonstrating a range of measures to improve access to higher education institutions. Initiatives in the areas of Aboriginal participation, women in non-traditional courses, special entry and tertiary awareness schemes are among those already funded under this program.

The Government is concerned that trial initiatives supported under the program should lead to the incorporation of proven initiatives in the ongoing provision by the institutions concerned. Likewise, programs of demonstrated value should be promoted to other institutions with similar needs and circumstances. Accordingly, the Government will provide seeding grants to institutions wanting to implement programs evaluated as successful in their pilot stage.

The shortage of child care places in higher education was highlighted in discussions on equity issues following the release of the Policy Discussion Paper. In recognition of the important role of adequate child care arrangements in facilitating access to education, particularly for low income groups, the Government will provide additional funding during the 1989-91 triennium to assist institutions to provide additional places in off campus child care services for needy students. Initiatives in higher education complement other
similar Commonwealth programs and will be monitored to ensure a co-ordinated approach to the provision of child care nationally.

Hence, for the 1989-91 triennium, the Higher Education Equity Projects Program will be expanded to encompass three separate elements:

. grants for pilot initiatives;
. grants for implementation of proven initiatives; and
. a child care grant.

The two new categories of grants are for seeding purposes and, in the case of grants for proven initiatives, will be for a limited period only for any individual project, beyond which institutions will be expected to provide the ongoing funding. Targeting of the new program elements will focus on a small number of institutions which

. want to expand their current equity provision, but are limited in their ability to do so; and
. have incorporated equity measures across the spectrum of their educational profiles, and can demonstrate a record of commitment and results.

In addition, the Government will target its child care assistance to those institutions which can demonstrate demand from needy students who cannot secure child care services, and which

. are located in outer metropolitan and rural areas;
. have a high proportion of financially disadvantaged families in their catchment area; or
. have developed co-operative arrangements with TAFE to encourage credit transfer and other forms of support for TAFE students.

These funds are to be used in a flexible manner to assist needy students to obtain access to appropriate child care arrangements particularly after-school care and family day care. Guidelines on subsidy rates and eligibility should be consistent with those applied in the Government's Children's Services Program.

Institutions supported under this program will be asked to monitor the effectiveness of these additional child care places in broadening access to higher education.
If successful, other institutions will be asked to take similar initiatives particularly directed to assist low income students in this area. More generally, the Government considers that there is scope for institutions to review their existing expenditures on student services with a view to giving higher priority to the needs of disadvantaged students. The Government views child care as a student service to assist in achieving equity objectives and to this end considers that ongoing funding could be provided, as for other student services, from the general operating grants of institutions.
6. LINKS WITH OTHER SECTORS

The Commonwealth's new policy advising and program delivery structures in employment, education and training will provide a major impetus for strengthening links between higher education and other sectors of the education and training system. At the same time, the higher education system will become more cohesive as the unified national system is established and the artificial barriers between the advanced education and university sectors are removed.

Strong links between the various educational sectors will be important if the Government's employment, education and training objectives are to be achieved. For instance, the objective of substantial growth in higher education to the year 2001 will require close co-operation with schools and with TAFE systems. Likewise, all three sectors will need to be involved, with industry as a partner, in developing a continuum of education and training opportunities that begin early in life and extend well into adulthood.

As announced in the context of its May 1988 Economic Statement, the Government has initiated complementary changes in other sectors of education and training to parallel those being implemented in higher education.

6.1 SCHOOLS

The Government intends that there should be a co-ordinated national effort to strengthen Australia's schools system. It is seeking to obtain, by collaborative and co-operative means, a national perspective on many issues fundamental to schooling in Australia, including the development of a common curriculum.
framework, a common approach to assessment, improvements in teacher education, an increase in school retention rates and greater educational equity.

The Commonwealth recognises State and Territory responsibilities and prerogatives in primary and secondary education, and will actively involve the States and Territories in its efforts to develop closer links between schools and higher education. These efforts will be greatly assisted if there are also more effective links between the various State and Territory systems themselves in key areas such as curriculum and assessment.

Of particular relevance to the relationship between higher education and schools are the goals of

1. increasing to at least 65 per cent the proportion of Australia's young people completing a full secondary education by the early 1990s;

2. increasing the number of young people who transfer to further education and training after completing secondary school;

3. providing opportunities and encouragement to members of disadvantaged groups (including those from low socio-economic or ethnic backgrounds, Aboriginals and the geographically isolated) to complete a full secondary education;

4. improving the education and training of teachers; and

5. developing stronger links between schools, the community, the labour market and other educational agencies.

The national retention rate to Year 12 has risen markedly in recent years, from 36 per cent in 1982 to 53 per cent in 1987, and the Government is confident that its goal of 65 per cent by the early 1990s will be achieved and possibly surpassed. Attainment of this goal will have significant implications for the number, ability profile and socio-economic mix of potential entrants to higher education, and must influence the strategies adopted both at school and higher education levels to sustain the rate of transfer to higher education.

There is substantial evidence that the inequities in participation patterns in higher education, particularly in terms of socio-economic status, reflect similar inequities in the mix of Year 12 students. Accordingly, the changing profile of the Year 12 population will require a major effort to increase student awareness of the options and opportunities
available through participation in higher education. Both schools and higher education institutions will play a part in this process.

Special efforts will be needed by those schools with high concentrations of students from low income and otherwise disadvantaged backgrounds. Additional resources will be needed to assist them in this task. At the higher education level, the equity strategies developed by institutions should specify the means by which higher education will be made more attractive to a larger group of Year 12 leavers, including changes as appropriate in course structures, attendance patterns and admission requirements.

The Government recognises the central importance of high quality teaching to the outcomes of the schooling process and to the future strength of our society and economy. Higher education's role in the training of teachers is therefore one of its most significant responsibilities.

An urgent priority is to enhance the quality of mathematics and science teaching at all levels of the education system, given the importance of these subjects to a wide range of tertiary courses and vocational options for students. In line with this objective, the Government has announced the establishment of a discipline assessment of teacher education in mathematics and science to encompass both primary and secondary levels. This review will examine the quality of teacher education currently provided and the action required to meet future national needs in these fields.

6.2 TECHNICAL AND FURTHER EDUCATION

TAFE shares with higher education the major responsibility for post-school or tertiary education in Australia. Its geographical diversity - a network of 215 major institutions throughout Australia, together with hundreds of other teaching locations - makes it easily the most accessible of the post-secondary sectors. Its courses cover a wide spectrum of objectives and client groups, and its student population is closely representative of the socio-economic composition of Australian society generally. For many who would profit from higher education, TAFE represents the first contact with education beyond school.

While TAFE's mission ranges from remedial and basic literacy and numeracy classes to highly skilled and sophisticated technological education, the core of its effort is the provision
of vocational education in the trades and in other commercial, technical and service areas. This key role of TAFE must be recognised and protected. At the same time, there are vital linkages between TAFE and higher education which need to be further developed and strengthened, so it is essential that co-operation between the two should be as close and effective as possible.

The Policy Discussion Paper canvassed a number of options to foster closer links between TAFE and higher education. These were to

- recognise and expand the legitimate role of TAFE in providing higher education courses on its own account;
- make selected use of TAFE facilities in assisting students taking courses offered by a higher education institution; and
- foster closer educational links between TAFE and higher education in matters such as course articulation and credit transfer.

The issue of credit transfer is discussed in more detail in Chapter 3.

Higher education courses conducted by TAFE

The Policy Discussion Paper noted that a range of associate diploma and broadly equivalent courses were offered by both TAFE and higher education institutions, and proposed that these courses should be an important source of growth in total higher education opportunities. It suggested also that, wherever they were offered, these courses should be classified as higher education for purposes of statistical reporting and general policy development. This approach would emphasise course objectives and outcomes rather than location, and would better conform with international practice and standards.

The Government believes that the TAFE system should play an important part, consistent with its strengths and capacities, in expanding opportunities for higher education study. However, no State has yet come forward with specific proposals for the development of this area of TAFE or to explore possibilities for new cost-sharing arrangements. Accordingly, the issue cannot now be taken up before the 1990 academic year.
The Government sees close collaboration between TAFE and higher education as especially important in regional areas too small to sustain separate TAFE and higher education facilities. It sees considerable merit in developing further the institute of tertiary education concept, which provides for an appropriate mix of higher education and TAFE courses in a single institution with considerable autonomy to meet the tertiary education needs of its community. Proposals for Commonwealth funding of such institutions will need to carry the support of the relevant State government and to address such issues as the structure and governance of the institution, the balance of its educational programs, and the establishment of links with existing higher education institutions.

The Government has reviewed the arrangements by which it currently funds some places in certain higher education courses provided by TAFE institutions in New South Wales and Queensland. These arrangements date from an earlier era, lack any clear educational rationale and give unwarranted preference to two States at the expense of others. In 1989, the Government will no longer fund these courses directly through its higher education grants, but will make an appropriate adjustment to its grants for TAFE in the States concerned. Until new arrangements for funding higher education in the TAFE system are negotiated, the Commonwealth will fund under higher education arrangements only those courses that are provided in higher education institutions or in approved institutes of tertiary education.

Using the TAFE network for the provision of higher education

The Policy Discussion Paper also proposed that, as one means of expanding opportunities for higher education study, more co-operative arrangements should be developed to allow the use of local TAFE facilities in courses offered by higher education institutions. These arrangements already apply in various parts of Australia, and have particular application in non-metropolitan localities too small to justify a separate higher education institution. There has been general support for an extension of such arrangements, and the Government will facilitate this in appropriate cases.

There is no single model of co-operation between TAFE and higher education institutions that is appropriate throughout Australia. Recognising the diversity of needs and circumstances, the Government accepts that local needs should determine local provision. In that context there are a number of possible options:

- TAFE feeder courses from which students progress to courses conducted by higher education institutions;
. teaching of the early years of higher education courses under contract by TAFE using its own staff;

. the use of TAFE premises by higher education staff for teaching their own courses; and

. the use of TAFE library and related facilities by external higher education students, supplemented if appropriate by a tutorial service organised by their home institution or by TAFE.

As all these options relate to students who would complete their qualifications at a higher education institution, it is appropriate that funding and co-ordination arrangements should be negotiated as part of the education profiles of the institutions concerned.

6.3 LINKS WITH INDUSTRY

For too long the implicit model of preparation for future employment has been one in which the roles of educational institutions and industry have been viewed as discrete and largely unrelated. In the past, institutions generally have not paid much attention to employers' views about course design and content. On the other hand, employers have complained of a lack of relevance of courses to their needs, while taking little action to address the problem. That model is unsatisfactory for both higher education institutions and the employers, and breeds a climate of misunderstanding and mutual distrust. Now, however, institutions and employers are recognising the need for a more positive and constructive relationship. The Government will continue to encourage the development of close links between higher education institutions and employers in all sectors of the Australian economy.

The recent formation of the Council for Business/Higher Education Co-operation, consisting of representatives of the Business Council of Australia, the AVCC and the ACDP, has the potential for substantial influence in the area of education and industry links. The Council aims to improve co-operation between industry and higher education in research and other areas of mutual interest. It also acknowledges the need to develop a culture in Australia that will encourage such co-operation.

Other important bodies in this field include the newly formed Australian Association of Graduate Employers, which will assist in focusing the private sector's views on its future needs for
higher education graduates, and the Graduate Careers Council of Australia, whose annual survey of graduate destinations provides essential information on the outcomes and achievements of the higher education system.

In the area of research, the Government reiterates its view that greater collaboration should occur between industry and higher education, given the more favourable environment brought about by such initiatives as the taxation concession to industry for research and development and the Grants for Industry Research and Development Scheme. The National Teaching Company Scheme is also a worthwhile channel for such activity, and the potential of the Australian Civil Offsets Program should be further promoted and developed.

The links between basic research and the application of research findings to new technologies are becoming closer, thus diminishing the perception that the research activity carried out in higher education institutions is too remote from practical applications to be of interest to industry. The time taken to incorporate new knowledge into new products is rapidly decreasing and the boundaries between science and technology are tending to merge. The newest technologies are more scientifically intensive, particularly so in the case of advanced technologies such as superconductivity, biotechnology and the more advanced areas of electronics.

This is not to suggest that industry has a narrow utilitarian view of higher education and its role in teaching and research. Whatever their field of study, all graduates can contribute to the process of improving industry performance, and this is now much more widely recognised.

In supporting the Policy Discussion Paper's priorities for growth and development in the higher education system, both the Business Council of Australia and the Metal Trades Industry Association cautioned on the need to maintain an appropriate balance in the content and profile of higher education offerings. While further growth in science, technology and business courses will be vital, the humanities and social sciences were also seen as developing invaluable conceptual, analytical and communication skills which are increasingly demanded in industry. Moreover, there is a perceived need to broaden the curricula of technology courses to ensure that graduates are well equipped to adapt to the inevitable pressures of change.

Co-operative education courses are another example of constructive links between employers including those in the public sector, and higher education.
The term 'co-operative education' is defined by the World Council on Co-operative Education as

'a strategy of applied learning which is a structured program developed and supervised by an educational institution in collaboration with an employing organisation, in which relevant productive work is an integral part of a student's regular academic program and is an essential component of the final assessment. Such programs should normally commence and terminate with an academic period and the work experience component should involve productive work and should comprise a reasonable proportion of the total program.'

The Government accepts this definition and regards it as an apt description of the pilot courses in information technology introduced this year at four institutions: the University of Technology, Sydney, the University of New South Wales, Monash University and Swinburne Institute of Technology. The University of New South Wales will be launching similar co-operative programs in engineering in 1989. These developments add to the co-operative education courses already established at a number of institutions.

The companies sponsoring these courses have shown admirable enthusiasm for the concept and have actively collaborated with academic staff in preparing the industry segments of the courses. In such ventures a significant investment of time, effort and goodwill is required, and often momentum can only be sustained by the wholehearted dedication of several key individuals among both sponsors and academic staff. The benefits are, however, manifold, and the Government wants to see more institutions involved in such co-operative education programs.

6.4 ADULT AND CONTINUING EDUCATION

Adult and continuing education is a fundamental part of the education and training system. The principle of lifelong education is now accepted as fundamental to achieving social, cultural, technological and structural change, and to our future economic development.
The achievement of these goals will require access for adults to opportunities for

. formal education;

. learning associated with individual development and behaviour as family members, consumers and citizens; and

. upgrading and adaptation of work-related skills.

The role of adult and continuing education will become even more important in the future under the influence of demographic pressures and other changes in the social and industrial structure. The restructuring of industrial awards, as currently occurring in the metal trades, will provide financial and other incentives for the acquisition of additional skills and knowledge during working life. It is also likely that there will be further convergence between the traditional concepts of 'general' and 'vocational' education.

Higher education has an important role in the provision of adult and continuing education opportunities, through both its award programs and its non-award short courses. It shares this responsibility with TAFE and private sector providers of education and training; with employers, unions and professional associations who sponsor on-the-job, workplace and other training; and with voluntary organisations and other institutions such as churches and schools which are involved in community-based provision.

A commitment from higher education institutions to meet a range of adult and continuing education needs is essential if the unified national system is to be an effective part of a national approach to recurrent or lifelong education provision. Such a commitment will require institutions to develop strategies, such as those discussed in the context of equity, to make formal award programs attractive and accessible to a broader client group.

Currently the provision of non-award adult and continuing education programs in higher education is characterised by its capacity for flexibility and responsiveness in meeting emerging needs for new or added skills. Its clients include a substantial number of adults who have had only limited access to the more formal education system, as well as those who have already benefited from such access, for example, in various professional occupations. It includes the provision of bridging programs, to be funded through the institution's operating grant, as well as a wide range of other courses providing professional upgrading and vocational training in service and
administrative areas such as health and welfare. These provide important opportunities for upgrading and updating knowledge and skills, and for retraining. This is preferable to lengthening initial periods of study needed to obtain formal qualifications. It also covers community or general education promoting awareness and discussion of social, economic and political issues.

No accurate figures of enrolments in this sector of higher education are available; however, the total has been conservatively estimated at 160 000 per year. To maximise the value of higher education's contribution to the provision of continuing education, programs offered should relate to the range of disciplines taught at the institution.

In general, professional and vocationally-based continuing education should operate on at least a cost-recovery basis, taking account of direct and indirect costs. Where possible, income generated should be used to subsidise courses for disadvantaged groups and participation by low income earners in other adult education programs. Institutions retain a broad corporate responsibility to foster development of appropriate provision of adult and continuing education.
7. CONSULTATIVE AND ADVISORY ARRANGEMENTS TO DETERMINE HIGHER EDUCATION PRIORITIES

The Government aims to create a more effective operating environment for higher education institutions by providing clear national directions and co-ordination based on an independent advisory structure and agreed consultative arrangements with State and Territory governments. Thus the responsibilities of the Commonwealth, the States and institutions must be clearly defined and accompanied by appropriate accountability mechanisms.

7.1 COMMONWEALTH-STATE RELATIONSHIPS

Commonwealth and State governments have a vital interest in higher education. In addition to their specific responsibilities on matters such as legislation for the establishment and operation of institutions, decisions on the availability of sites for new institutions or campuses and the accreditation of courses, State governments are rightly concerned that the higher education system should reflect State policies and priorities. For its part, the Commonwealth has a responsibility to ensure that funds are allocated in line with overall national goals and priorities, having regard to the competing demands of different States, regions and institutions.

In this context, the best results will be achieved through the collaborative efforts of Commonwealth and State governments. State and Commonwealth co-operation in developing a plan for higher education in each State will assist in setting clear directions for institutions and enhance their capacity to respond to community needs. Institutions will also be better
able to manage their internal affairs if the demands imposed on them by different levels of government are compatible and consistent.

As the principal provider of funds for higher education it is the responsibility of the Commonwealth Government to

1. obtain expert advice on matters of national policy and identify national objectives and priorities;
2. co-ordinate the national development of the higher education system, taking account of State policies and priorities and balancing the often competing demands of different States, regions and institutions; and
3. develop the higher education system in a manner consistent with other Government policies, particularly in relation to education, training and employment.

The Commonwealth will continue to collaborate with individual States in the overall planning of higher education. To assist this process, State and Territory governments have endorsed in principle the establishment of Commonwealth-State consultative arrangements for higher education through a system of Joint Planning Committees. Subject to details agreed in bilateral discussions with each State and Territory, the terms of reference for these Committees will require them to provide advice on

1. the higher education needs of the State;
2. the source and distribution of higher education resources in the State;
3. other matters that either of the Ministers may require, for example, on possible mergers and rationalisation of institutions or campuses, the place of two-year higher education awards, arrangements for credit transfer and institutional management structures; and
4. co-operation with TAFE in the provision of higher education, including the level of growth of higher education activities in TAFE.

The specific composition of each Committee may differ from State to State, but the Government sees a limited membership of two representatives of the State and two of the Commonwealth as being the most appropriate arrangement.
Where appropriate, joint working parties of Commonwealth and State representatives will be established to examine particular issues that may arise. The working parties will report to the Joint Planning Committees or directly to the Commonwealth and State governments if required. Issues that cannot be settled through Joint Planning Committee processes are to be resolved through bilateral discussions between the Ministers concerned.

The States will therefore be involved in the development of higher education policy and developments in their States consistent with the Commonwealth's national priorities. The emphasis is on a partnership between the States and the Commonwealth that best meets the joint interests and priorities of both levels of government.

7.2 ROLE AND FUNCTIONS OF THE NATIONAL BOARD OF EMPLOYMENT, EDUCATION AND TRAINING

The Government has acted to streamline the advisory structures in employment, education and training, and combined these formerly discrete areas of policy into a single portfolio in 1987. To provide a channel for independent and expert advice on portfolio matters the Government has established NBEET.

The structure of NBEET as laid down in the Employment, Education and Training Act 1988 provides for a balanced consideration of priorities and for co-ordination of activities across the employment, education and training sectors. The Government has indicated specific consultative and advisory tasks for NBEET, both in public discussion of its proposed higher education reforms and in the context of its recent initiatives in primary and secondary education and industry contributions to training.

The functions of NBEET are to inquire into and to provide information and advice to the Minister for Employment, Education and Training, primarily in response to formal references from the Minister or otherwise on its own motion, on education (other than migrant adult education), youth affairs, employment and training, national research policies and the co-ordination of research policy, and any other matter arising under an enactment administered by the Minister. NBEET would thus be expected to advise on the identification of national objectives, needs and priorities in the fields of employment, education, training and research, and on the general development of policies, programs and services in these areas.

NBEET incorporates a number of functions of earlier advisory bodies including the Commonwealth Schools Commission, the
Commonwealth Tertiary Education Commission and the Australian Council for Employment and Training. It also incorporates the Australian Research Council. NBEET has four advisory Councils:

- Schools Council;
- Higher Education Council;
- Employment and Skills Formation Council; and
- the Australian Research Council.

The composition of NBEET represents a broad spectrum of interests. The Board will consist of up to 13 members: at least seven with expertise or experience relating to education, training, science or technology; two with expertise or experience relating to trade unions; and two with expertise or experience relating to business or industry. Two extra positions provide for balance across interest sectors. In addition, the Minister may appoint up to four Counsellors to advise NBEET or its Councils on matters that NBEET determines.

NBEET is able to draw on the full range of expertise in policy development and program delivery available within the Department of Employment, Education and Training. The Board is responsible for formal independent advice on policy and resource allocation issues, while the Department has responsibility for program delivery and management and for policy advice across the portfolio. NBEET will have access to designated funds for curriculum and innovative projects to support examination of issues of interest to it and its Councils.

The HEC will advise NBEET on a wide range of higher education matters, primarily those referred to it by the Minister or the Board. Matters specified in the Employment, Education and Training Act 1988 as relevant to the functions of the Council include the general development of higher education in Australia; the establishment of priorities for meeting the needs of institutions providing higher education; the funding, planning and implementation of programs based on those priorities; the granting of financial assistance by the Commonwealth to institutions providing higher education; and the marketing overseas of higher education programs developed in Australia.

The ARC will have two lines of reporting. It will report direct to the Minister its recommendations on the distribution of resources allocated to research grant schemes falling within its responsibility. It will also report to the Minister through NBEET its recommendations on national research priorities, the
co-ordination of research policies and programs of selectivity and concentration in research. There will be close liaison between the ARC and the HEC on redirecting a proportion of recurrent funds to priority research areas, competitive research funding and nodes of special research activity.

In summary, in respect of higher education funding:

. the HEC advises the Minister through NBEET on higher education policy and overall resource allocation issues;

. the ARC advises the Minister through NBEET on research policy and priorities and directly on the allocation of research grants and fellowships; and

. the Department advises the Minister on policy, resource needs and the distribution of resources, interprets and implements Government policy and administers programs. It also provides information, technical advice and assistance to NBEET and its Councils.

Subject to any involvement in higher education that NBEET itself may have, whether on its own initiative or at the invitation of the Minister, it is essential that the HEC, the Department and, as appropriate, the ARC be fully informed on higher education activities and involved in negotiations on educational profiles. Following these negotiations it will be necessary to prepare a detailed proposal for the allocation of resources for higher education for the Minister’s consideration. Preparation of this proposal will be the responsibility of the Department, in consultation with the HEC and, as appropriate, the ARC. It will be for NBEET and its Councils to determine whether, on particular issues, it wants to put views directly to the Minister.

NBEET, including the HEC and the ARC in particular, will have a continuing major role in monitoring the implementation of this Policy Statement and advising on future developments in the higher education system, including their implications for other areas of portfolio responsibility.
PART III: THE ALLOCATION OF RESOURCES
8. RESOURCE ALLOCATION: PRINCIPLES AND MECHANISMS

The Policy Discussion Paper proposed a future system of resource allocation which would provide the greatest possible flexibility for institutions to decide the best use of their resources, consistent with the broad objectives of Commonwealth funding agreed through educational profiles. In accordance with this approach, there would be no need for Commonwealth intervention in detailed resource issues such as the allocations for, and approval of, minor works projects, equipment purchases and new courses within the teaching profile of an institution.

An important consideration in the Government's proposals was the need for institutions to be able to plan ahead, secure in the knowledge of their forward funding allocations. This will be an essential requirement if institutions are to cope successfully with the substantial expansion in student numbers proposed by the Government.

To ensure that institutions are able to participate equally in the unified national system and to provide an equitable basis on which institutions could compete for funds, the Government also proposed to remove the funding inequities that had arisen over time and are still reflected in current funding allocations.

The Government has decided to adopt the resource allocation processes proposed in its Policy Discussion Paper. Details are discussed below.

8.1 TRIENNIAL FUNDING

Pending the release of this Policy Statement, the Government delayed the start of the next funding triennium and designated 1988 as a year outside the triennial process.
A new funding triennium, the 1989-91 triennium, will be established in legislation to be introduced in the 1988 Budget Session of Parliament. To avoid the stop-start nature of previous triennial arrangements, the Government will introduce some important modifications to the triennial system that will provide a long-term, stable planning environment.

The Government will legislate in the coming Budget for operating grants and capital funding covering the three years 1989-91, consistent with the plan for the expansion of higher education to be announced in August 1988. In each subsequent Budget the Government will legislate to update current triennial allocations and to add an additional third year to the legislation. Thus, in the August 1989 Budget, the Government will update grants for 1990 and 1991 and will legislate grants for 1992.

This rolling triennial process will provide the system with unprecedented surety of funding against which to plan for future growth.

8.2 OPERATING GRANTS

From 1989, each higher education institution in the unified national system will be allocated a single operating grant to replace the existing general recurrent, equipment, minor works and special research grants.

Components of the operating grant will not be separately identified, and institutions will be free to determine the most efficient allocation of funding among the various categories of expenditure. Those provisions of the States Grants legislation designed to ensure financial accountability for the expenditure of public funds will be simplified where appropriate to provide institutions with greater flexibility in the management of their total operating budgets. Institutions with medical schools will receive earmarked funds within their operating grant for payments to teaching hospitals.

Additional operating grants for enrolment growth will be determined in the Budget context and allocated on a competitive basis. This allocation will have regard for institutional capacities in key disciplines of national priority, as well as to relative rates of participation and student demand in different States and regions. These issues will be discussed with institutions in the negotiation of educational profiles.
Supplementary grants to meet the costs of superannuation will continue to be allocated separately, based on an assessment of claims in accordance with Commonwealth policy. Once determined on this basis, these funds will be included in the total operating grants to institutions.

Reflecting the Government’s commitment to meet specific objectives in increasing the participation of Aboriginals in higher education, funding for the Aboriginal Participation Initiative (API) will continue to be determined separately. Grants provided under the API will be incorporated into the operating grants of institutions as a separately specified component.

Reserve Fund

From 1989, the Government will set the base operating grants for higher education institutions at a maximum of 99 per cent of the total operating grant to be provided in that year. A Reserve Fund, comprising one per cent of the total operating grant, will thus be available to be distributed each year on the basis of institutions’ responses to specific Commonwealth initiatives or to identified areas of national priority.

The Reserve Fund will not accumulate from year to year, as some institutions have assumed in their responses to the Policy Discussion Paper. The Government will monitor operation of the fund during the next triennium and will review its level for the 1992-94 triennium.

Money from the Reserve Fund will be allocated to institutions on a competitive basis and will generally be used to support projects of a non-recurring or short-term nature. These will include

- trial and pilot programs for a longer academic year, summer terms, co-operative education programs and measures to improve student access and completion rates;
- management reviews;
- temporary assistance with consolidations; and
- assistance with institutional early retirement or redundancy schemes.

In view of their non-recurring nature, money from the Reserve Fund will not be used for the purpose of equalising funding between institutions or for redistribution of research funds.
into more competitive schemes. These objectives will be pursued by other means.

8.3 EQUALISING THE BASE FUNDING OF INSTITUTIONS

Significant distortions exist in the current allocations of Commonwealth funds to institutions. There are variations in the relative funding base of institutions of up to 35 per cent.

The following approach will be taken to provide a more equitable distribution of resources in the future.

- An analysis to identify those institutions that are significantly over-funded or under-funded under current arrangements. This analysis will take account of variations in discipline mix, superannuation costs, and any other special factors or circumstances.

- Where an institution's funding base differs substantially from the norm, phased adjustments to the level of funding will be made over the 1989-91 triennium. For those institutions that are over-funded, the Government will consider an adjustment through an increase in the student load planning range. In some instances, however, a reallocation of operating grants will be necessary.

- The equalisation of the base funding of institutions will not be the vehicle for redistributing research infrastructure funding among institutions. Proposed arrangements in this area are set out in Chapter 9.

- The process for equalising the funding base will be discussed with institutions in the forthcoming negotiations on educational profiles for the 1989-91 triennium.

The Government acknowledges that some flexibility will continue to be necessary to cater for special circumstances. Accordingly, it will not apply a rigid formula to the funding of higher education institutions.

The statistical collection for higher education will continue to be developed and refined during the 1989-91 triennium. Reliable and comparable student load, finance and staff statistics across higher education will become available under enhancements to the data collections recently agreed to, and this will assist in the equalisation process just described.
8.4 REDIRECTION OF RESEARCH FUNDS TO COMPETITIVE SCHEMES

The Government intends to shift a proportion of general infrastructure research funding to competitive research schemes, in line with its goal of maximising the research potential of the higher education system and achieving a closer alignment with broader national objectives.

This process started in 1988, when the general recurrent grants to universities for teaching and research were reduced by $5m. This amount was used to establish new special research centres and key centres of teaching and research, as well as to assist research in technological institutions in the advanced education sector.

This process will continue during the 1989-91 triennium, with $65m a year to be redistributed by the end of the triennium. The details of this transfer are discussed in Chapter 9.

8.5 CAPITAL FUNDING

Under present funding arrangements, the Commonwealth Government provides capital grants to institutions for specific construction projects. This is the most appropriate means of directing limited funds to priority locations and to specific growth areas.

While the adequacy and condition of the current capital stock varies widely across higher education institutions, further growth in student numbers can only be achieved by a substantial increase in the provision of capital facilities. To sustain the desired rate of enrolment growth in some institutions, the provision of additional student residential accommodation will also be a key factor. Coupled with these growth requirements is an urgent need to refurbish and upgrade many existing facilities, particularly on inner-urban campuses.

The Government will address these requirements in more detail in the plan for the expansion of higher education to be announced in the forthcoming Budget context. In the formulation of future capital programs, priority will continue to be given to those projects that provide for growth as agreed through educational profiles. The efficient use of existing capital facilities will also be a significant factor in the assessment of future capital requirements.
In conjunction with the provision of Commonwealth funds, many institutions have undertaken capital projects funded from their own or other sources in recent years. The extent to which this can occur depends largely on the financial circumstances, location and fields of endeavour of the institution. The extent of Commonwealth participation in such shared funding arrangements is a matter for negotiation between the institution and the Commonwealth.

The Policy Discussion Paper supported the removal of arbitrary State legislative limitations on the ability of institutions to borrow resources to support capital growth, while recognising that such borrowings would fall within State Loan Council programs. It also suggested that the Commonwealth would consider making advances against future recurrent grants to assist institutions to finance priority projects on the basis that the advances would be recovered, when buildings are completed, from the savings in leasing and maintenance costs. While there has been little response from institutions to this proposal, the Commonwealth remains willing to consider any proposals that will assist institutions' flexibility to fund capital developments.

For its part, the Government will amend the full fee overseas student guidelines to enable institutions to retain the capital component of fees, provided that the revenue generated is used to fund capital works. Under the current guidelines, institutions are required to remit a proportion of the capital element of fees to the Commonwealth from 1989. These funds would, in turn, have been redistributed to institutions for major capital projects. Allowing institutions to retain these resources will represent a more effective use of resources and provide an incentive for institutions to expand their full fee operations. In managing these funds, however, institutions will be expected to make provision for the full costs of additional facilities and services, such as library and computing resources, used by full fee overseas students.

It is the Government's view that higher returns can be achieved on the public investment in higher education through innovative approaches by institutions to the use of their capital facilities and equipment.

There are several possibilities open to institutions. The Government proposed two measures in the Policy Discussion Paper:

- the introduction of a common academic year; and
- the extension of the academic year to include a summer term.
The AVCC and the ACDP have indicated their agreement with the Government on the benefits of a common academic year. As shown in a recent AVCC study, all universities are moving to implement a semester system with similar teaching dates. The Government endorses this approach and expects that other institutions will do the same by the beginning of the 1989 academic year. This matter will need to be addressed by institutions in their application to join the unified national system.

The Government's preference is for a two-semester year with an extra summer term to utilise capital resources on a year-round basis. A number of institutions already offer summer programs in which supplementary remedial teaching, bridging courses and short professional and community courses are offered, as well as a limited number of units for normal course credit. Trial programs will be funded in a number of institutions to explore the possibilities and problems of a wider introduction of the summer term. If these trials are successful, the Government envisages the introduction of a summer term in all higher education institutions.

The Government acknowledges that the extension of the academic year along these lines will require the provision of additional recurrent funds. Appropriate allowance will be made for this in the operating grants of institutions offering a summer term.

8.6 PERFORMANCE INDICATORS

The Government supports the development of a funding system that responds to institutional performance and the achievement of mutually agreed goals. It intends to develop funding arrangements that take into account a range of output, quality and performance measures, and will initiate moves in this direction during the 1989-91 triennium. This, in turn, will require a comprehensive and nationally consistent data base, the continued development of which will be a high priority for DEET.

A partial range of performance indicators has been compiled in the context of the recent discipline review of engineering, including measures such as student satisfaction and completion rates, relative staffing levels and research publication and consultancy rates. These indicators reveal a wide variation in levels of performance between comparable institutions and departments. The engineering review represents an initial but important step in developing a more rigorous and systematic approach to the evaluation of performance against agreed educational goals, and provides a useful basis for extending and refining the range of appropriate performance measures.
In response to the proposals on performance assessment outlined in the Policy Discussion Paper, the AVCC and the ACDP have both established working parties which are co-operating in attempting to define a comprehensive and workable set of performance indicators for general application in higher education institutions. The Government welcomes this development and is prepared to support a joint approach aimed at establishing an appropriate set of measures on a national basis. Such an approach should involve wide consultation with institutions, State co-ordinating authorities and higher education staff and student associations, as well as other relevant bodies. The aim should be to determine a consistently defined and agreed set of measures that could be applied on a regular basis both by individual institutions and across the whole higher education system.

The range of indicators to be developed should cover such issues as student demand and course completion rates, quality of teaching and curriculum design, relative staffing provision and measures of academic staff performance in various aspects of research, publication, consultancy and other professional services. Indicators of performance against equity goals and measures of organisational efficiency should also be included in this process. As soon as practicable, indicators which are agreed to be useful and appropriate will be incorporated into the Commonwealth’s general funding arrangements for higher education.

8.7 EVALUATION AND REVIEW

The Government will continue to provide funding through the Evaluations and Investigations Program for studies and research projects to assist in evaluating performance and investigating issues of national importance in higher education. In 1988 and 1989, priority will be given to funding investigations and reviews of relevance to the implementation of the Government’s policies in higher education, as announced in this Policy Statement and in the plan for the expansion of higher education.

An important element of this program is the series of major reviews of key disciplines in higher education. The principal aims of these reviews are to determine the future needs and directions for the discipline at the national level and whether the teaching and research activities of higher education institutions are being carried out to an appropriate standard, to identify areas where waste of resources or unnecessary duplication of effort can be avoided, and to propose ways in which institutional efficiency might be increased.
The Government considers that these reviews are an effective aid to institutional planning and will continue to support them under the Evaluations and Investigations Program. Reviews conducted to date have covered the disciplines of law and engineering. A review of teacher education in mathematics and science has recently been established, and an assessment of computer science education will begin shortly.

Other discipline reviews under consideration include a review of accountancy education and an assessment of the structure and effectiveness of agricultural education and related areas such as forestry and natural resource management. The rural economy, like the manufacturing sector, has become increasingly subject to pressures for change and restructuring, with the result that new skills are required to improve management and marketing practices, to exploit new technologies and to widen options for future employment and the future development of rural resources.

An important feature of these discipline reviews is the opportunity they provide to explore the most effective use of existing resources. For example, the recent review of engineering examined issues relating to the number of engineering schools required in Australia and the possibility of developing a common first-year program for engineering studies. A significant benefit of such reviews will occur as a direct result of the process itself, with appropriate decisions being made at the institutional, faculty, school or departmental level.

In addition to these formal discipline reviews, the Government will examine the implications for higher education of other relevant reports and inquiries. There are at least two such inquiries of immediate importance: the national inquiry into medical education and the medical workforce sponsored by the Department of Community Services and Health, and the review of Asian languages in higher education by the Asian Studies Council.

The Government proposes to seek the advice of the HEC on a plan for future discipline reviews in higher education, including priority areas for assessment, the cost of an assessment program and arrangements for follow-up measures. It will also welcome participation by other relevant organisations in an advisory and funding capacity in the conduct of further discipline reviews.
9. RESEARCH AND POSTGRADUATE EDUCATION

9.1 NATIONAL OBJECTIVES

Research has a major role to play in attaining both immediate and long-term national goals. The Government recognises that the major part of Australia's basic research effort comes from within the higher education system. This function must continue and the Government will fulfil its responsibility to support and strengthen it.

The provision of Government support for research is based on recognition of its wide-ranging contribution to the social, cultural and economic well-being of the nation. The Government supports research in order to

1. encourage fundamental inquiry for the advancement of knowledge;
2. develop skills in analysis, interpretation and problem solving;
3. enhance the national scientific and technological capacity; and
4. create and maintain a reservoir of expertise which can be applied to any problems and opportunities that may face the nation.

The higher education system will continue to provide the major part of Australia's basic research effort. This research will continue to be fostered across the entire range of academic and professional fields: in the arts, the humanities and the social sciences as well as the natural and physical sciences.
But to be effective, support for basic research in all disciplines must be directed to excellence in outcomes as determined by careful evaluation procedures, including peer review.

In the light of concerns expressed in response to the Policy Discussion Paper that basic research could subside in the wake of increasing emphasis on strategic and applied research activities, the Government reiterates its full commitment to maintain a strong basic research capability in higher education. In addition, however, increasing emphasis must now be placed on strategic basic research; that is, basic research in areas that hold potential for major developments or applications across a range of fields. The application of research findings into processes of direct social or economic benefit is also crucial to the Government's objectives and must be increased. None of these areas of research can be effective if limited resources are spread too thinly. Concentration and selectivity in research are needed if funding is to be fully effective.

Australia relies heavily on publicly funded research, particularly that done in the higher education system. Gross national expenditure on research and development has been estimated from Australian Bureau of Statistics data at $2729m in 1985-86 and $3120m in 1986-87. Of these amounts, half came from Commonwealth sources, and of the Commonwealth-funded expenditure almost half was provided to the higher education system, primarily through its operating grants to institutions and direct grants schemes such as those administered by the former Australian Research Grants Committee and the National Health and Medical Research Council.

Business sector investment in research and development is also now substantial, rising from $721m in 1984-85 to an estimated $1200m in 1987-88. A significant initiative influencing this increase was the introduction of the special tax rebate for industry contributions to research and development. This higher level of industry investment must be sustained and increased. Even when allowance is made for the structure of Australian industry, with its traditional concentration in low technology areas, the private sector's contribution to research and development is still low by comparison with that in other OECD countries.

Research in higher education institutions cannot serve as a substitute for industrial research and development; nor should it be forced to assume this role. However, the Government seeks to promote greater responsiveness of the higher education research effort to the needs of the society and economy which support it. Much more can and must be done. Despite important
innovations in some institutions, the extent of productive interaction with industry remains limited.

9.2 THE ROLE OF THE AUSTRALIAN RESEARCH COUNCIL

The ARC has two broad functions. One is to make recommendations to the Minister on the distribution of resources provided under the various research support schemes for which it is responsible. The other is to provide information and advice to NBEET on research policy issues, including such matters as national research priorities, co-ordination of research policy, the development and funding requirements of research support programs, research training and measures to improve interaction in research between the public and private sectors.

The selective provision of funds according to research performance, the setting of research priorities and the balanced development of higher education research as a whole cannot be achieved without a clear understanding of the research activities being pursued within both the higher education system and in other relevant sectors, such as industry and government research organisations. Information on institutional research activities provided as part of their educational profiles will help to establish a better understanding of the system and the role of individual institutions within it. This information will also assist in the development of a national framework of objectives and priorities for research funding. Consultation with the research community, industry and the general community will be central to the development of these national objectives.

The Government will look particularly to the ARC for advice on

- the appropriate balance between basic and applied research;
- the identification of areas of strategic basic research that hold the greatest potential for exploitation in Australia; and
- the role and funding of designated research institutes and centres.

The ARC will also examine relationships between the various organisations and sectors involved in research and advise how appropriate forms of interaction can be improved. A range of methods for extending research links between institutions and industry will need to be considered. These should include

- the subsidising of employment for postdoctoral researchers in key industries;

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the provision of dollar-for-dollar funding for joint projects; and

the promotion of greater movement of researchers between higher education and industry: for example, through some form of senior research fellowship scheme offering portability of superannuation and permanent employment in industry.

The ARC will also be asked to look at ways to promote the research base throughout the private sector: for example, by making the private sector more aware of the potential of research being undertaken in higher education institutions and making institutions more aware of the needs of the users of research.

9.3 PROVISION FOR RESEARCH AND SCHOLARSHIP IN GENERAL OPERATING GRANTS

Research in higher education is at present funded largely through general recurrent grants to universities. Advanced education institutions have in the past had no explicit research component included in general recurrent grants, although some of these institutions have been able to undertake a considerable amount of research, often with financial support from external sources. Only about one-third of the Government's estimated support for higher education research currently takes the form of direct funding.

The Government distinguishes in this context between the concepts of research and scholarship. Research is taken to mean systematic and rigorous investigation aimed at the discovery of previously unknown phenomena, the development of explanatory theory and its application to new situations or problems, and the construction of original works of significant intellectual merit. Scholarship refers to the analysis and interpretation of existing knowledge aimed at improving, through teaching or by other means of communication, the depth of human understanding. The Government expects that all academic staff should be active in scholarship, funding for which is appropriately based primarily on student load. However, it expects that Commonwealth funding for research should be focused more effectively on those institutions and staff with a demonstrated capacity and record of research performance.

A number of proposals were put forward in the Policy Discussion Paper to remove inequities in existing funding arrangements for research and to promote further concentration of effort and
excellence in performance. In response to these proposals, some concerns were raised, particularly by university staff, about the difficulties in attempting to differentiate funding for teaching, scholarship and research activities and the risks in excessive concentration of research effort. While acknowledging a close interrelationship between these activities, the Government maintains that a more effective system of accountability for research performance is required.

As an initial step toward achieving a more appropriate funding arrangement and to aid institutional management, the Government will ask NBEET to establish a systematic study of academic staff activities and responsibilities in higher education institutions, with a view to determining more clearly the current distribution of time allocated to different types of activity.

A substantial part of institutional research provision will continue to be funded through operating grants (see Chapter 8), which will be allocated on the basis of an educational profile agreed between the Commonwealth and the institution. In the longer term, research performance, along with other aspects of educational performance, will be taken into consideration in funding higher education institutions. The Government expects institutions to allocate research funding provided through operating grants on the basis of a research management plan, in which excellence and concentration of resources to best effect must be a high priority. The Government will seek details of research management plans through educational profiles.

It is not anticipated that appropriate performance measures relating to research activity will be developed before the middle of the 1989-91 triennium. Workable criteria and essential data sources will necessarily take some time to develop. NBEET will be asked to provide advice on mechanisms for assessment of research performance and for the use of performance measures in the determination of institutional operating grants.

9.4 AUSTRALIAN RESEARCH COUNCIL GRANTS

The ARC has responsibility for allocation of funding for specific research support. The major components of this funding are research grants and fellowship schemes, postgraduate awards, provision for special research centres and key centres for teaching and research, and for learned academies.
In addition to these funds and as part of the attempt to promote research excellence through more competitive allocation of funding, the Government reallocated $5m in 1988 from the operating grants of universities to the ARC for competitive research activities. This reallocation will continue with a total of $20m to be transferred in 1989, $40m in 1990 and $65m in 1991. During this triennium, the HEC and the ARC will advise the Government on that proportion of operating grants which relates to research and scholarship activities, and the amount and rate of any further transfers of research funds to the ARC.

While the Australian Defence Force Academy (ADFA) is funded through the Department of Defence budget allocation, researchers in ADFA are currently eligible for ARC research grants. This arrangement will continue, with access for ADFA staff to the increased resources available through ARC grants, but ADFA will contribute to the process of reallocation of resources the same proportion of its operating grant as other universities.

It is recognised that this reallocation of funds may aggravate the problems of general infrastructure support for institutions unless appropriate complementary steps are taken. The urgent needs of institutions in the areas of equipment and library resources were emphasised in many responses to the Policy Discussion Paper, and NBEET will be asked to examine as soon as possible the general question of infrastructure needs in light of the proposed greater reliance on competitive funding.

ARC grants will be allocated largely for specific research proposals on a competitive basis. While a major proportion of these funds will be reserved for basic research across the full range of academic fields, it is also intended to support applied research from such grants. In addition, a proportion of ARC funds will be allocated under the special research centres and the key centres for teaching and research programs. Institutions formerly in the advanced education sector, which have not received infrastructure support for research, will be able to compete for funds set aside for this purpose.

The special research and key centre programs will be expanded to provide further support for leading researchers in fields of national importance. In future some centres will be established through institutions being invited to tender in fields or areas that have been identified as national priorities. The emphasis on the interrelationship between teaching and research in the key centres for teaching and research will be maintained.
9.5 POSTGRADUATE EDUCATION

Major changes in the scope and emphasis of postgraduate studies have taken place in Australia and overseas during the last ten years. These changes reflect changing economic and social environments.

There is a need for greater flexibility in the nature of postgraduate education, including provision for shorter courses and more flexible admission and teaching arrangements. Postgraduate training is increasingly being viewed as an appropriate means of upgrading professional qualifications, retraining and gaining specialist technical skills. In addition, measures are required to improve course completion rates, increase the proportion of female students, ensure an efficient spread of provision and make postgraduate education more attractive to high quality students in fields where there is a strong demand for first-degree graduates, as reflected in the relatively attractive salaries offered by industry.

Postgraduate education is central to the research undertaken in universities and to the supply of high-level graduates to undertake research in industry, the CSIRO and defence research organisations. Yet there is a view in the academic and employer communities that the current research-based postgraduate programs no longer provide adequate training even for a research-based career. There is a demand for postgraduates with multidisciplinary training, who are capable of the broad analysis needed in rapidly changing social, technological and economic circumstances.

The reforms to the structure of the higher education system outlined earlier in this Statement will encourage institutions to review their course mix, and to specialise and concentrate the use of their resources. The nature of institutional provision will no longer be based on arbitrary divisions between advanced education institutions and universities, but on the range of expertise available within each institution.

The rationalisation of course provision across institutions and the expansion of the special research centres and the key centres for teaching and research programs should encourage student mobility. In addition, action to improve accreditation procedures, to increase the comparability of equivalent awards in particular fields of study at different institutions and to promote institutional equity strategies will also facilitate admission to postgraduate studies by a broader cross-section of the community.
In the 1987-88 Budget the Government announced its decision to allow institutions to charge fees for postgraduate courses designed to upgrade the skills of people already in employment. This should provide incentives for the provision of a wider variety of employment-related courses.

Review of higher degree studies

There is widespread institutional and community support for a review of higher degree studies. A broadly-based review is needed to investigate the scope, structure, quality and spread of higher degree offerings across Australia. This review will be conducted by NBEET.

The review will seek information and advice from higher education institutions on both coursework and research-based higher degrees, with particular reference to

- admission requirements and credit for previous study;
- articulation within both the higher education system and with other education and training sectors;
- links with industry;
- completion rates;
- the balance of provision between coursework and research; and
- opportunities for work/study combinations in higher degree programs.

The findings of this review will provide guidance for institutions in making decisions about their higher degree programs. It will also form the basis of the Commonwealth's position on the future scope and spread of higher degree provision in the negotiation of educational profiles. It is anticipated that the review of higher degree studies will be completed by April 1989.

Improving links with employers

Closer links need to be forged between institutions and employers in the postgraduate area, as in other areas of higher education activity.
Institutions and employers should explore mechanisms such as

- increased provision of scholarships for graduate students, whether on a shared basis or totally funded by employers;
- greater involvement of employer and industry representatives in course reviews;
- flexible part-time provision for those in the workforce, combined with better support and more flexible supervision arrangements for part-time students; and
- a review of entry requirements by institutions to take account of skills acquired in the workforce.

These issues will be examined in more detail in the forthcoming review of higher degree studies.

Postgraduate awards

Over $22m is currently being provided by the Commonwealth to 2450 postgraduate students under the CPGA. Higher education institutions also award around 380 postgraduate studentships each year funded from recurrent funds provided by the Commonwealth.

The Policy Discussion Paper proposed that the ARC examine the CPGA scheme with a view to achieving a better allocation of awards by field of study, between coursework and research programs, and to special centres for research rather than by institutional quota. Other issues raised by respondents to the Policy Discussion Paper concerned the level of stipends payable under the scheme, the low level of completions in minimum time and the concentration of awards in areas of national priority.

The Government has asked the ARC to report on these and other related issues and to advise on the future of the CPGA scheme in time for decisions to be made for the 1990 academic year. In the interim, for 1989 the Government will index the stipend payable under the CPGA scheme and will increase it by a further 10 per cent in real terms. Thus the stipend payable for 1989 will be $10,415 compared with $8882 in 1988.
PART IV: ORGANISATIONAL EFFECTIVENESS
The development of an expanded and more effective higher education system will depend critically on the policies pursued and action taken by individual institutions. The quest for quality and efficiency in an era of rapid change will require both innovative policy making by institutional governing bodies and strong, decisive implementation of those policies by institutional managers.

Effective management at the institutional level will be the key to achieving many of the Government’s objectives for the unified national system: growth in areas of national need; an effective partnership with other parties to the education and training process, including employers; improvements in equity and access to higher education; and efficiency of operation.

The Policy Discussion Paper’s treatment of management issues touched a responsive chord, drawing strong support both from institutional managers and from those serving on governing bodies, advisory committees and working parties. These responses have generally reinforced the need for change in the administrative structures and procedures of many institutions.

The Government’s aim is to enhance the autonomy and capacity of institutions to direct their resources flexibly and effectively to meet their designated goals. It is not, as some respondents have suggested, to reduce that autonomy nor to limit the opportunities for staff to influence institutional decisions. As autonomy increases, however, so the need for accountability grows.

Many institutions are extremely large and their budgets are equivalent to those of large business organisations. Their managers are required to exhibit high-level management skills.
and to show strong leadership in meeting the institution's corporate goals. Institutions are accountable to governments, to their students, to employers and to the community they serve. Pressures for greater accountability, extensions to the range of institutional operations and recent legislative reforms in the areas of equal employment opportunity and freedom of information have prompted a number of institutions to seek new and better approaches to institutional management.

10.1 INSTITUTIONAL MANAGEMENT

The States and Territories have legislative responsibility for the governance of institutions. Broadly representative governing bodies allow a range of inputs to policy making in the higher education system, and provide an essential element of public accountability. Such bodies operate most effectively where their roles and responsibilities are clearly defined in relation to those of senior management, and where managers are held clearly accountable for their actions. On the other hand, there are some governing bodies which are too large for effective governance, and too often a tendency for members of governing bodies to see their primary role as advocates for particular interests. Often in these cases there is a confusion of roles and objectives, to the detriment of strong and decisive management. While some members may feel responsibility to represent the views of particular sections of the institution or the wider community from which they are drawn, they have an overriding responsibility to act in the best interests of the institution.

There will be an opportunity for the States and Territories to review the effectiveness of current legislation as institutional restructuring and consolidation proceeds and the unified national system is established. It will be important to grasp this opportunity to adopt appropriate forms of legislation which meet the dual needs of participative decision making and an effective structure for accountability.

The Government believes that in formulating roles for governing bodies the emphasis should be on the 'trustee' aspects of their responsibilities: that is, on setting broad directions and policies for the institution, and on the consideration of regular reports and reviews of how well the institution is performing. This approach requires the appointment of members who have a positive contribution to make to the development of an institution, and are clear about their role as a member of the institution's governing body.
For a governing body to do its work effectively, it should aim to have each member identify with and actively contribute to the policy-making, accountability, review and public advocacy roles that are essential to institutional success. Size is an important consideration here: a governing body cannot operate effectively where the membership ranges up to 50, as occurs in some institutions. The governing body will only operate more effectively where the number of members is substantially lower than this. An appropriate guide to size and composition can be drawn from boards of large private sector organisations while, at the same time, recognising the need for wider community involvement in public institutions. On this basis, an appropriate size for the governing body of a higher education institution would be in the range of 10 to 15 members.

The Government expects governing bodies to delegate clear responsibility and authority to their Chief Executive Officers to implement agreements reached with the Commonwealth, and to hold them responsible for that implementation.

While the Commonwealth has no role in dictating management structures to institutions, it has a legitimate interest in developing the capacity of institutions to meet their own objectives and to contribute to the achievement of broader national goals for higher education. To this end it will assist institutions in undertaking reviews of their internal management structures, and will provide funding for this purpose under the Reserve Fund arrangements outlined in Chapter 8. The reviews will be designed to help institutions achieve

- strong managerial modes of operation, which remove barriers to delegation of policy implementation from governing bodies to Chief Executive Officers and then to other levels, while maintaining a variety of inputs to policy determination;

- adequate levels of consultation with, and accountability to, government, employers, employees, students and the community;

- streamlined decision-making processes; and

- maximum flexibility in the capacity of an institution to implement new policies, with minimal time lag between making and implementing decisions.

The outcome of these reviews should form part of Joint Planning Committee discussions to assist in establishing an efficient and effective unified national system. To parallel these individual
reviews of institutional management, the Government will ask NBEET to examine the issue of management structures and practices in higher education institutions generally and advise on their effectiveness.

The Government's primary concern is with the effective performance of the higher education system as reflected in the development and implementation of strategic planning, performance monitoring and review, according to the agreed educational profile for each institution. While the specific details of the strategic planning process are matters for institutions to decide and implement, a strategic plan would be expected to include

- a broad statement of institutional goals and detailed objectives for its component elements;
- an overview of current educational provision;
- an analysis of the adequacy of current provision in relation to institutional goals and objectives;
- planned changes in provision over the following three to five years;
- mechanisms to achieve any necessary reallocation of resources to assist in the implementation of policy changes at all relevant levels of institutional management;
- mechanisms to identify and maintain an effective response to employer and community needs; and
- appropriate monitoring and review procedures, including the development and application of performance indicators.

It is from an institution's strategic plan that its educational profile should be developed.

The Government's restructuring of the higher education system will create an environment that fosters and rewards improved management practices. This will require appropriate training, particularly at the middle management level, for both academic and general staff. The AVCC and the ACDP will be invited to expand their current programs of management training at the level of individual institutions and nationally. Staff development to enhance sound management practice is as critical as staff development to improve institutional scholarship, teaching and research.
10.2 STAFFING

The Policy Discussion Paper highlighted the importance of effective staffing and staff management policies in ensuring the quality, productivity and adaptability of the higher education system.

It expressed the Government's objectives as being

- to ensure that conditions of employment do not restrict the recruitment, deployment and movement of staff in response to changes in priorities and areas of demand; and
- to increase opportunities for professional development and assessment, advancement and reward, thereby further encouraging motivation, efficiency and productivity.

In order to achieve these objectives, staffing policy should

- allow a significant degree of flexibility in the use of staff resources across the higher education system, while protecting the employment rights of individuals;
- provide an environment in which individual excellence in teaching, research and other related functions can be recognised and rewarded, and in which inadequate performance is not protected; and
- recognise the importance of other Commonwealth policy objectives, particularly those set out in the Affirmative Action (Equal Employment Opportunities for Women) Act 1986 as administered by the Affirmative Action Agency, and the statutory obligations of higher education institutions under this legislation. The work of the Agency is crucial in enhancing the employment prospects of women in higher education.

The Policy Discussion Paper concentrated mainly on issues relating to academic staff, noting that similar principles and objectives apply equally to general and support staff.

The Commonwealth recognises that general and support staff play a vital role in the effective operation of institutional programs. Its concentration on academic staffing issues is not to imply any hierarchy of importance between different categories of staff. Rather, this emphasis reflects simply the differences in industrial arrangements for the two groups of staff, and the much more limited influence exercised by the Commonwealth Government over the conditions of employment of general staff.
Academic staff are part of a national industry, with employers recruiting either at a national level or internationally and employees accepting that interstate, if not international mobility, is the normal career expectation. This is not the normal expectation for general and support staff.

General and support staff move more freely between the higher education system and the employment market of the local economy. Their employment conditions are, therefore, appropriately determined at a local level, with similar State Public Service classifications and local industry awards as comparators. In contrast, academics are considered 'sui generis', and thus have no direct comparator for industrial purposes.

The Government recognises that general staffing issues are a key element of overall staffing policies in higher education, and will provide incentives for institutions to achieve the most effective possible use of their general and support staff. While the Commonwealth will not intervene directly in negotiations on the employment conditions of non-academic staff, it expects that institutions themselves will undertake a rigorous review of their policies and management procedures in this area. It will look to evidence of progress on these matters in discussions on the funding requirements of individual institutions.

The Government is aware that it is one thing to negotiate a more flexible staffing package, but quite another for institutions to use the benefits of new arrangements to best effect. During the negotiation of their educational profiles institutions will be expected to report on progress in implementing these arrangements, and to advise on any specific initiatives they have put in place.

Reforms in academic staffing

In its Policy Discussion Paper the Government proposed reforms to academic staffing arrangements for the higher education system in the following areas:

- staff appointments;
- staff assessment;
- staff development and training;
- salary flexibility;
early retirement, redundancy and dismissal procedures; and

superannuation.

These matters were the subject of many responses to the Policy Discussion Paper, and were taken up in the subsequent process of consultation and discussion. The Government's objectives have been fully supported by the AVCC and the ACDP, and have been the subject of extensive consultations with academic staff associations.

Most of the specific issues raised in the Policy Discussion Paper have also been taken up in the recent negotiations on a second-tier salary increase for academic staff. In this context, consideration was focused on measures that would enhance the flexibility and overall efficiency of the academic staffing system.

Appendix D sets out the terms of the agreement reached between higher education employers and employees, as ratified by the Conciliation and Arbitration Commission on 21 June 1988. This agreement was supported by the Commonwealth as a sound first step towards the implementation of essential staffing reforms in higher education. The main features of the settlement that go towards the Government's broad objectives in academic staffing are discussed below, together with other relevant issues not explicitly covered by the agreement.

Academic freedom

The Government acknowledges the importance of academic freedom in higher education institutions. Its offer to consider legislation providing safeguards in this area has met with little response, although the academic staff associations have expressed willingness to examine the issue.

The changes to academic staff conditions arising from the second-tier settlement have been devised in a way that ensures that academic freedom is not jeopardised. Important safeguards have been built into the new processes.

The Government does not intend to pursue the matter further at this time unless either the employer or employee associations want to initiate further discussions.
Staff assessment

Adequate assessment procedures provide the necessary base on which many other staffing policies must be implemented. The June 1988 settlement makes specific provision for staff assessment, requiring that appropriate assessment procedures be adopted in each institution by late September 1988.

Staff development and training

The Government endorses the importance of effective staff development and training programs and supports the procedures agreed in the June 1988 settlement. Those procedures envisage that each institution would establish a Staff Development Program where funds are available. The Government will be looking to review progress in this area in the context of discussions on profiles for 1990 and beyond.

Part-time employment

The engagement of staff under casual or hourly-paid arrangements or on fractional appointments is an essential element in the flexible use of staffing resources and in attracting staff who would not otherwise be available on a full-time basis. The June 1988 settlement preserves this important element of staffing flexibility.

Continuing employment

The Government considers that the majority of all academic staff appointments should be on a permanent or continuing basis. The extent to which this is reflected in the staffing profiles of institutions varies. Table 10.1 shows the relevant proportions of staff, on a full-time basis, for the higher education system in 1987.

'Research only' staff are excluded from consideration in this context because of the particular nature of their work, which is often funded under fixed term or contract arrangements. The terms of employment for these staff should properly remain a matter for negotiation between the individual academic staff member and the institution.
Table 10.1  Full-time and fractional full-time (a) academic staff in higher education - Australia, 1987

<table>
<thead>
<tr>
<th></th>
<th>Tenured</th>
<th>Untenured</th>
<th>Total</th>
<th>Untenured per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above Senior Lecturer</td>
<td>3560</td>
<td>84</td>
<td>3644</td>
<td>2</td>
</tr>
<tr>
<td>Senior Lecturer</td>
<td>5971</td>
<td>239</td>
<td>6210</td>
<td>4</td>
</tr>
<tr>
<td>Sub-total: Senior Lecturer and above</td>
<td>9531</td>
<td>323</td>
<td>9854</td>
<td>3</td>
</tr>
<tr>
<td>Lecturer</td>
<td>6142</td>
<td>2676</td>
<td>8818</td>
<td>30</td>
</tr>
<tr>
<td>Other</td>
<td>279</td>
<td>2441</td>
<td>2720</td>
<td>90</td>
</tr>
<tr>
<td>Total (b)</td>
<td>15952</td>
<td>5440</td>
<td>21392</td>
<td>25</td>
</tr>
</tbody>
</table>

(a) Fractional full-time for universities only
(b) Excluding 'research only' staff.

Source: Commonwealth Tertiary Education Commission

Table 10.1 shows that the burden of non-continuing employment falls predominantly on the junior grades (lecturer and below). The Government recognises why this should be the case but suggests that, in light of the important changes to the terms of continuing employment now agreed, institutions may wish to review the extent of non-continuing employment load at these levels.

The other feature of this table is the extremely low level of non-continuing employment load at senior levels. The June 1988 settlement addresses this issue. It agreed that over the next two years each institution should double the proportion of non-continuing employment load at senior lecturer level and above (excluding 'research only' staff). Where the incidence of such employment load thereby rises to more than 10 per cent in aggregate at the senior levels, the parties have agreed that there will be a compensating decrease in non-continuing employment load at lecturer level.
The Government expects each institution to take advantage of the flexibility provided by this agreement. In light of decisions taken (as discussed below) in relation to early retirement, redundancy and flexible hierarchies, and the funded growth in the system to be announced in the 1988-89 Budget context, the Government will expect each institution in the unified national system to move to a minimum proportion of 10 per cent of non-continuing employment load at senior lecturer level and above by the end of the 1989-91 triennium.

The means by which this minimum objective might be achieved are to be addressed by institutions through their educational profiles. All parties have agreed that the details of these arrangements could be reviewed in light of the results of the revised collection of higher education staff statistics for 1988.

Early retirement

Over the last three years some 17 higher education institutions have operated early retirement schemes. Such schemes are acknowledged to be of significant benefit in adjusting the age profile of staff to the benefit of younger staff and potential aspirants to senior academic appointments.

The Government has advanced $17.7m in 1988 to 38 institutions to assist the early retirement of academic staff. Further advances will be provided during the 1989-91 triennium to extend assistance to all institutions and to increase the scope of the schemes to include general staff. In addition, special supplementary funding will be provided in this area to assist amalgamating institutions.

The Government expects that, as a result of these measures, about 1000 staff in higher education will retire early over the next three years. Apart from its other benefits, this will be of significant assistance to institutions in meeting their minimum targets for non-continuing employment of staff at senior lecturer level and above.

Redundancy

Cases of genuine redundancy should be limited in number, particularly in an expanding system. Nevertheless, it is essential that appropriate procedures should be in place to deal with such cases when they arise. The June 1988 settlement agreed on procedures that acknowledge redeployment, retraining and voluntary retrenchment as appropriate responses to redundancy.
The parties were unable to agree, however, on arrangements for involuntary retrenchment. This matter is to be arbitrated by the Conciliation and Arbitration Commission.

Procedures for unsatisfactory performance

The June 1988 settlement agreed on procedures for action where unsatisfactory performance or serious misconduct of academic staff warrants disciplinary action. Such action could take the form of censure, withholding a salary increment, demotion or dismissal. Appropriate safeguards are built into the process.

The Commonwealth supports the introduction of these procedures into academic staffing policies. It notes, however, that decisions of Chief Executive Officers to demote or dismiss staff will continue to be subject to ratification by governing councils where that provision currently exists. These processes are unnecessary given the safeguards provided under the agreement, and serve only to lengthen and unnecessarily hinder due processes which are properly the role of Chief Executive Officers.

The Government will ask each State to review relevant legislative provisions in the light of the second-tier settlement.

Flexible hierarchies

The Policy Discussion Paper advocated the introduction of a system-wide process of flexible hierarchies in academic staff appointments, whereby academic staff at senior lecturer level and above would be permanently appointed at the base of the senior lecturer level. Positions above that level would be filled for fixed terms, after which they would be open again for competitive appointment.

Although term appointments to senior positions are already a feature of the staffing policies of some institutions, the proposal for a system-wide application of flexible hierarchies has not attracted widespread support.

The June 1988 settlement has added a significant measure of flexibility to the system of academic staff appointments, especially in its provisions relating to continuing employment at senior levels and action to deal with unsatisfactory
performance. In light of these measures, the Government has agreed not to pursue the concept of flexible hierarchies on a system-wide basis at this time. It envisages that any extension of the concept, beyond those institutions at which it is already practised, is a matter that individual institutions should be free to pursue as they see appropriate.

Salary flexibility

The consultations undertaken following the release of the Policy Discussion Paper have confirmed the difficulty that most institutions face in attracting and holding high quality staff. It is essential, if institutions are to offer the best possible teaching and research programs, that they are able to compete more effectively with other private and public sector employers for high quality staff.

The market for high quality staff is determined not only by the discipline speciality of the individuals concerned, although that is an important factor, but also by their ability, performance and reputation. Institutions may be faced with competition for staff partly because of shortages in particular vocational fields but also because of the growing recognition and value placed on high level skills by employers.

Institutions must be able to compete for such staff. Their capacity to do so depends largely on their ability to offer competitive terms in areas such as non-salary remuneration and access to consultancy income, as elements in an overall package of employment conditions. Salary flexibility also has an important role to play even though in practice its application may be limited. The Government has decided that it will not penalise institutions, as has been past practice, by reducing their grants where they pay salaries above award rates. Where institutions choose to do so, the resultant costs will need to be met from current budgets.

Superannuation

The Policy Discussion Paper recognised that a national superannuation scheme was necessary to facilitate staff movement both within the higher education system itself and between higher education and other sectors.
The Government will continue to support the Superannuation Scheme for Australian Universities as the national superannuation scheme for higher education. The Government also supports the associated Tertiary Education Superannuation Scheme to provide for the implementation of the 3 per cent productivity benefit in higher education.

The Government supports the negotiation of transfer agreements between superannuation schemes so that the potential loss of superannuation entitlements does not discourage staff mobility or the use of term appointments, particularly at senior levels.
APPENDIXES


APPENDIX B: Trends in the 17-19 year age group and higher education weighted population index for all States and Territories, 1980 to 2021

APPENDIX C: Outline of Educational Profile

APPENDIX D: Second Tier Settlement for Academic Staff in Higher Education Institutions.
APPENDIX A

RECURRENT GRANTS, STUDENT LOAD AND EXTERNAL STUDENT NUMBERS
FOR EACH INSTITUTION, 1988

Recurrent grants are expressed in estimated December quarter
1987 prices, and include General Recurrent Grants and additional
funding provided for superannuation and for the greater
participation of Aboriginal people in higher education.

Student load refers to that load funded through recurrent
grants, and is measured in Equivalent Full-time Student Units
(EFTSU) where a student undertaking a standard annual program
for a course generates one EFTSU. Figures are based on 30 April
1988 returns (where available).

The figures for external students represent the total number of
students studying externally.

Not included are five other institutions which also provide
higher education courses:

- National Institute of Dramatic Art
- Marcus Oldham College of Farm Management
- Australian Defence Force Academy
- Australian Film, Television and Radio School
- University College of the Northern Territory
## Table A.1 Recurrent grants, student load and external students in higher education, by institution, 1988.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Recurrent Grant ($m)</th>
<th>Student Load (EFTSU)</th>
<th>External Students (no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW SOUTH WALES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armidale College of Advanced Education</td>
<td>6.8</td>
<td>1154</td>
<td>1294</td>
</tr>
<tr>
<td>Catholic College of Education Sydney Ltd</td>
<td>8.8</td>
<td>1588</td>
<td>246</td>
</tr>
<tr>
<td>Cumberland College of Health Sciences (*)</td>
<td>13.9</td>
<td>2019</td>
<td>3</td>
</tr>
<tr>
<td>Hawkesbury Agricultural College</td>
<td>11.3</td>
<td>1459</td>
<td>366</td>
</tr>
<tr>
<td>Hunter Institute of Higher Education</td>
<td>15.7</td>
<td>2587</td>
<td>675</td>
</tr>
<tr>
<td>Kuring-gai College of Advanced Education (*)</td>
<td>13.6</td>
<td>2508</td>
<td>0</td>
</tr>
<tr>
<td>Macarthur Institute of Higher Education (*)</td>
<td>13.6</td>
<td>2466</td>
<td>219</td>
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<tr>
<td>Mitchell College of Advanced Education</td>
<td>16.3</td>
<td>3359</td>
<td>3337</td>
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<tr>
<td>Nepean College of Advanced Education</td>
<td>15.6</td>
<td>2869</td>
<td>0</td>
</tr>
<tr>
<td>New South Wales State Conservatorium of Music</td>
<td>4.1</td>
<td>478</td>
<td>0</td>
</tr>
<tr>
<td>Northern Rivers College of Advanced Education</td>
<td>9.3</td>
<td>1599</td>
<td>232</td>
</tr>
<tr>
<td>Orange Agricultural College</td>
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<td>476</td>
<td>540</td>
</tr>
<tr>
<td>Riverina-Murray Institute of Higher Education</td>
<td>24.9</td>
<td>3691</td>
<td>3842</td>
</tr>
<tr>
<td>Sydney College of Advanced Education</td>
<td>23.9</td>
<td>4241</td>
<td>231</td>
</tr>
<tr>
<td>The Macquarie University (*)</td>
<td>55.8</td>
<td>7825</td>
<td>1220</td>
</tr>
<tr>
<td>The University of New South Wales</td>
<td>141.7</td>
<td>15388</td>
<td>543</td>
</tr>
<tr>
<td>The University of Newcastle</td>
<td>40.9</td>
<td>5106</td>
<td>0</td>
</tr>
<tr>
<td>The University of Wollongong</td>
<td>40.7</td>
<td>5795</td>
<td>637</td>
</tr>
<tr>
<td>University of New England</td>
<td>44.4</td>
<td>5731</td>
<td>5979</td>
</tr>
<tr>
<td>University of Sydney</td>
<td>148.3</td>
<td>16276</td>
<td>0</td>
</tr>
<tr>
<td>University of Technology, Sydney</td>
<td>46.8</td>
<td>8057</td>
<td>24</td>
</tr>
</tbody>
</table>

(*) 30 April 1988 student load data were not available for these institutions, therefore student load figures are based on estimates provided earlier in the year.

(#) 30 April 1988 student data were not available for these institutions therefore external student numbers are based on estimates provided earlier in the year.

118
<table>
<thead>
<tr>
<th>Institution</th>
<th>Recurrent Grant ($m)</th>
<th>Student Load (EFTSU)</th>
<th>External Students (no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ballarat College of Advanced Education</td>
<td>14.4</td>
<td>2345</td>
<td>0</td>
</tr>
<tr>
<td>Bendigo College of Advanced Education</td>
<td>13.0</td>
<td>2033</td>
<td>68</td>
</tr>
<tr>
<td>Chisholm Institute of Technology</td>
<td>33.3</td>
<td>5441</td>
<td>0</td>
</tr>
<tr>
<td>Deakin University</td>
<td>31.7</td>
<td>4066</td>
<td>4087</td>
</tr>
<tr>
<td>Footscray Institute of Technology</td>
<td>23.4</td>
<td>3520</td>
<td>0</td>
</tr>
<tr>
<td>Gippsland Institute of Advanced Education</td>
<td>12.4</td>
<td>2077</td>
<td>2391</td>
</tr>
<tr>
<td>Hawthorn Institute of Education</td>
<td>7.7</td>
<td>1136</td>
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<tr>
<td>Institute of Catholic Education</td>
<td>8.0</td>
<td>1449</td>
<td>0</td>
</tr>
<tr>
<td>La Trobe University</td>
<td>74.5</td>
<td>10239</td>
<td>0</td>
</tr>
<tr>
<td>Melbourne College of Advanced Education</td>
<td>24.0</td>
<td>4210</td>
<td>289</td>
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<tr>
<td>Monash University</td>
<td>103.8</td>
<td>12365</td>
<td>0</td>
</tr>
<tr>
<td>Phillip Institute of Technology</td>
<td>25.5</td>
<td>4489</td>
<td>0</td>
</tr>
<tr>
<td>Royal Melbourne Institute of Technology</td>
<td>60.4</td>
<td>8425</td>
<td>491</td>
</tr>
<tr>
<td>Swinburne Limited</td>
<td>30.2</td>
<td>4728</td>
<td>0</td>
</tr>
<tr>
<td>The Victorian College of the Arts</td>
<td>5.4</td>
<td>604</td>
<td>0</td>
</tr>
<tr>
<td>University of Melbourne (*)</td>
<td>129.7</td>
<td>13854</td>
<td>196</td>
</tr>
<tr>
<td>Victoria College</td>
<td>34.0</td>
<td>6073</td>
<td>253</td>
</tr>
<tr>
<td>Victorian College of Pharmacy Ltd</td>
<td>3.7</td>
<td>391</td>
<td>0</td>
</tr>
<tr>
<td>Warrnambool Institute of Advanced Education</td>
<td>7.6</td>
<td>1455</td>
<td>1575</td>
</tr>
</tbody>
</table>

(*) 30 April 1988 student load data were not available for these institutions, therefore student load figures are based on estimates provided earlier in the year.

(#) 30 April 1988 student data were not available for these institutions, therefore external student numbers are based on estimates provided earlier in the year.
<table>
<thead>
<tr>
<th>Institution</th>
<th>Recurrent Grant ($m)</th>
<th>Student Load (EFTSU)</th>
<th>External Students (no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>QUEENSLAND</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brisbane College of Advanced Education</td>
<td>43.9</td>
<td>7454</td>
<td>1294</td>
</tr>
<tr>
<td>Capricornia Institute of Advanced Education</td>
<td>15.6</td>
<td>2677</td>
<td>2225</td>
</tr>
<tr>
<td>Darling Downs Institute of Advanced Education</td>
<td>22.5</td>
<td>4531</td>
<td>4090</td>
</tr>
<tr>
<td>Gold Coast College of Advanced Education</td>
<td>2.2</td>
<td>350</td>
<td>0</td>
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<tr>
<td>Griffith University</td>
<td>28.4</td>
<td>4167</td>
<td>0</td>
</tr>
<tr>
<td>James Cook University of North Queensland</td>
<td>30.6</td>
<td>3537</td>
<td>310</td>
</tr>
<tr>
<td>Queensland Agricultural College</td>
<td>11.2</td>
<td>1440</td>
<td>233</td>
</tr>
<tr>
<td>Queensland Conservatorium of Music</td>
<td>2.9</td>
<td>317</td>
<td>0</td>
</tr>
<tr>
<td>Queensland Institute of Technology</td>
<td>44.3</td>
<td>7230</td>
<td>328</td>
</tr>
<tr>
<td>The University of Queensland</td>
<td>123.4</td>
<td>14550</td>
<td>1686</td>
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<tr>
<td><strong>WESTERN AUSTRALIA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curtin University of Technology (*)</td>
<td>65.2</td>
<td>9299</td>
<td>824</td>
</tr>
<tr>
<td>Murdoch University</td>
<td>30.4</td>
<td>3217</td>
<td>1415</td>
</tr>
<tr>
<td>The University of Western Australia</td>
<td>72.9</td>
<td>8511</td>
<td>32</td>
</tr>
<tr>
<td>Western Australian College of Advanced Education</td>
<td>44.7</td>
<td>8118</td>
<td>1530</td>
</tr>
</tbody>
</table>

(**) 30 April 1988 student load data were not available for these institutions, therefore student load figures are based on estimates provided earlier in the year.

(#) 30 April 1988 student data were not available for these institutions therefore external student numbers are based on estimates provided earlier in the year.
<table>
<thead>
<tr>
<th>Institution</th>
<th>Recurrent Grant ($m)</th>
<th>Student Load (EFTSU)</th>
<th>External Students (no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOUTH AUSTRALIA</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Roseworthy Agricultural College</td>
<td>5.0</td>
<td>546</td>
<td>173</td>
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<tr>
<td>South Australian College of Advanced Education</td>
<td>48.8</td>
<td>7903</td>
<td>3061</td>
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<tr>
<td>South Australian Institute of Technology</td>
<td>35.4</td>
<td>5471</td>
<td>54</td>
</tr>
<tr>
<td>The Flinders University of SA (*)</td>
<td>37.6</td>
<td>4455</td>
<td>54</td>
</tr>
<tr>
<td>The University of Adelaide</td>
<td>75.5</td>
<td>7458</td>
<td>163</td>
</tr>
<tr>
<td><strong>TASMANIA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Maritime College</td>
<td>7.2</td>
<td>274</td>
<td>36</td>
</tr>
<tr>
<td>Tasmanian State Institute of Technology</td>
<td>13.9</td>
<td>2094</td>
<td>597</td>
</tr>
<tr>
<td>University of Tasmania</td>
<td>43.7</td>
<td>4428</td>
<td>66</td>
</tr>
<tr>
<td><strong>NORTHERN TERRITORY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Batchelor College</td>
<td>0.4</td>
<td>42</td>
<td>0</td>
</tr>
<tr>
<td>Darwin Institute of Technology (#)</td>
<td>9.5</td>
<td>1187</td>
<td>126</td>
</tr>
<tr>
<td><strong>AUSTRALIAN CAPITAL TERRITORY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian National University</td>
<td>148.1</td>
<td>5473</td>
<td>0</td>
</tr>
<tr>
<td>Canberra College of Advanced Education</td>
<td>29.2</td>
<td>4546</td>
<td>0</td>
</tr>
</tbody>
</table>

(*) 30 April 1988 student load data were not available for these institutions, therefore student load figures are based on estimates provided earlier in the year.

(#) 30 April 1988 student data were not available for these institutions therefore external student numbers are based on estimates provided earlier in the year.

**Source:** Department of Employment, Education and Training
Table A.2  Recurrent grants, student load and external students in other institutions offering higher education, 1988

<table>
<thead>
<tr>
<th>Institution</th>
<th>Recurrent Grant ($m)</th>
<th>Student Load (EFTSU)</th>
<th>External Students (no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canberra Institute of the Arts (*) (#)</td>
<td>4.1</td>
<td>477</td>
<td>0</td>
</tr>
<tr>
<td>The New South Wales Institute of the Arts (*) (#)</td>
<td>9.0</td>
<td>1256</td>
<td>0</td>
</tr>
<tr>
<td>The Western Institute</td>
<td>3.5</td>
<td>547</td>
<td>0</td>
</tr>
<tr>
<td>The Wodonga Institute of Tertiary Education</td>
<td>0.1</td>
<td>64</td>
<td>0</td>
</tr>
<tr>
<td>Victorian College of Agriculture and Horticulture</td>
<td>2.1</td>
<td>720</td>
<td>271</td>
</tr>
<tr>
<td>Higher education in TAFE</td>
<td>8.3</td>
<td>1655</td>
<td>203</td>
</tr>
<tr>
<td>Avondale College</td>
<td>1.2</td>
<td>221</td>
<td>0</td>
</tr>
<tr>
<td>McAuley College</td>
<td>2.2</td>
<td>475</td>
<td>261</td>
</tr>
<tr>
<td>Signadou College of Education</td>
<td>1.3</td>
<td>251</td>
<td>61</td>
</tr>
</tbody>
</table>

(*) 30 April 1988 student load data were not available for these institutions, therefore student load figures are based on estimates provided earlier in the year.

(#) 30 April 1988 student data were not available for these institutions therefore external student numbers are based on estimates provided earlier in the year.

Source: Department of Employment, Education and Training

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APPENDIX B

TRENDS IN THE 17–19 YEAR AGE GROUP AND HIGHER EDUCATION WEIGHTED INDEX FOR ALL STATES AND TERRITORIES, 1980 TO 2021

In the following graphs, the higher education weighted population index shows trends in the 17–64 year old population weighted according to the relative importance of the 17–19, 20–24, 25–29 and 30–64 year age groups for higher education in each State and Territory.

Source: Department of Employment, Education and Training, based on population projections provided by the Australian Bureau of Statistics.
outline the institution's research management plan for the triennium including its objectives, priorities and strategies for research.

Section 4: Statement of Intent on National Priorities

In relation to areas of broad national priority, and specifically equity, this section will enable each institution to:

. identify and, where possible, quantify its goals;
. identify its strategies for achieving these goals;
. identify quantitative and/or qualitative measures of performance against these goals; and
. indicate areas to which the highest priority is attached.

Section 5: Other Issues

This section will include details of any significant activities or other matters not dealt with elsewhere in the institution's educational profile. Particular matters to be covered are fee-paying courses (Australian and overseas students); commercial operations; links with industry; student demand; student progress/completion rates; and graduate destinations.

Section 6: Approved Funding Levels

This section will specify the approved levels of funding for the institution for each year of the triennium in the following categories of grants:

. operating grants (comprising existing general recurrent grants, special research grants, and equipment and minor works grants);
. details, where appropriate, of teaching hospital grants, grants for special research centres, grants for key centres of teaching and research and grants to assist technological institutions;
. grants for major capital works projects including, for each project, details of the maximum Commonwealth contribution and the approved grant for each year of the triennium.
OUTLINE OF EDUCATIONAL PROFILE

The agreed educational profile for each institution in the unified national system of higher education will in the first instance contain the information set out below.

Name of Institution

Section 1: Statement of Institution’s Mission and Objectives

This section will contain a brief outline of the institution’s broad mission, together with details of the objectives on which its activities are based.

Section 2: Details of Teaching Activities

This section will include:

- a schedule showing the fields and levels of study in which courses are currently offered, and any new fields of study in which courses will be introduced during the 1989-91 triennium;
- the agreed distribution of student commencements, by broad field of study and major course type, for each year of the triennium;
- the agreed distribution of student load (EFTSU), by broad field of study and by discipline group, for each year of the triennium; and
- projected completions by field of study.

Section 3: Research

This section will:

- provide an outline of the range and scale of the institution’s research activity; and
.. outline the institution's research management plan for the triennium including its objectives, priorities and strategies for research.

Section 4: Statement of Intent on National Priorities

In relation to areas of broad national priority, and specifically equity, this section will enable each institution to:

- identify and, where possible, quantify its goals;
- identify its strategies for achieving these goals;
- identify quantitative and/or qualitative measures of performance against these goals; and
- indicate areas to which the highest priority is attached.

Section 5: Other Issues

This section will include details of any significant activities or other matters not dealt with elsewhere in the institution's educational profile. Particular matters to be covered are fee-paying courses (Australian and overseas students); commercial operations; links with industry; student demand; student progress/completion rates; and graduate destinations.

Section 6: Approved Funding Levels

This section will specify the approved levels of funding for the institution for each year of the triennium in the following categories of grants:

- operating grants (comprising existing general recurrent grants, special research grants, and equipment and minor works grants);
- details, where appropriate, of teaching hospital grants, grants for special research centres, grants for key centres of teaching and research and grants to assist technological institutions;
- grants for major capital works projects including, for each project, details of the maximum Commonwealth contribution and the approved grant for each year of the triennium.
Aboriginal participation grants, grants for the promotion of equity and grants for special assistance for students will be allocated separately and will not be included in the institution's educational profile. Also excluded will be supplementary funding for superannuation costs which, although part of the general operating grants of institutions, will be allocated subsequently.
APPENDIX D

SECOND TIER SETTLEMENT FOR ACADEMIC STAFF IN HIGHER EDUCATION INSTITUTIONS

This agreement records the understanding reached between the parties concerning a Second Tier adjustment of salaries and wages of four per cent having regard to the Restructuring and Efficiency Principle of the National Wage Case March 1987.

In accordance with the decision of the Full Bench of the Australian Conciliation and Arbitration Commission in the National Wage Case 1987 the parties to this agreement have agreed to various measures which in their opinion justify the Second Tier wage increase. Those agreed measures are set out under separate headings later in this document.

The parties believe that productivity is a very difficult matter to determine and to measure in the education industry. Decisions of both the federal Commission and state Commissions have observed that there are some areas in which it is not possible precisely to quantify the savings which any individual item of agreement might generate. That observation is particularly applicable to the education industry, but the parties confirm their belief that the measures agreed between them represent a package which will substantially improve the efficiency and effectiveness of the higher education system and fully justify an increase of four per cent in salaries under the second tier.

For the purpose of this agreement and the Attachments hereto, the parties agree on the following definitions:

"Chief Executive Officer" means Vice-Chancellor, Director or Principal or the person acting in his or her position, or his or her nominee.

"President" means the elected President of a local Branch of FAUSA, UACA or ATU or the person acting in his or her position, or his or her nominee.

"Local Branch" in the case of the ATU and UACA may refer to a sub-Branch of a State Branch of the union.
"Parties" means:

The Australian Universities Industrial Association
The Australian Advanced Education Industrial Association
The Federated Australian University Staff Association
The Union of Australian College Academics
The Australian Teachers Union

1. DISPUTE RESOLUTION PROCEDURES

The parties have developed draft proposals (Attachment 1) which provide a national model for the resolution of individual disputes. The parties have agreed that the procedures will be adopted at each institution, provided that where there is agreement between the Institution and the local Branch of the union, nothing in this agreement will prevent the continuation of a formal set of existing arrangements for dispute resolution or the future establishment of formal arrangements for dispute resolution different from the national model set out in Attachment 1.

2. INCREASED STUDENT LOADS

The parties agree that an increase has occurred in student loads since March 1987 and in 1988 and that cumulative effects of this increase will continue to have an impact on workloads for higher education staff and enhance the productivity of the higher education system.

3. ELECTRONIC FUNDS TRANSFER

The parties have agreed that payment of salary by electronic funds transfer will reduce administrative costs at institutions where this does not presently occur. The parties have agreed to encourage these institutions to move to payment by electronic funds transfer as soon as practicable. The unions have undertaken to co-operate fully in any arrangements required to effect the changes to electronic funds transfer.

4. STAFF DEVELOPMENT AND STAFF ASSESSMENT PROCEDURES

It is agreed that staff development programmes will lead to improved staff performance and thus will enhance the efficiency of the higher education system. The parties have agreed proposals for the adoption of staff development programmes and for staff assessment procedures (Attachment 2) which will be adopted by each institution within three months of the operative date of this agreement.
5. PROCEDURES FOR DISMISSAL AND TERMINATION OF EMPLOYMENT

The parties have agreed to proposals specifying procedures to be used in the event that:

- unsatisfactory performance (Attachment 3);
- serious misconduct (Attachment 4);
- ill health (Attachment 5);

of academic staff is deemed to require action by the institution. These procedures will, in some instances, lead to dismissal or termination of employment of staff members.

The parties have agreed to reflect these proposals in awards of the federal Commission within three months of the operative date of this agreement.

The parties also agree that no award made pursuant to this agreement shall deny a member of staff access to any external jurisdiction for the purposes of seeking reinstatement or the award of financial compensation in lieu of reinstatement on the grounds of unfair dismissal.

6. FACILITATION OF STAFF MOBILITY BY ALTERATIONS TO LEAVE ARRANGEMENTS

It is agreed that increased mobility and interchange of staff will confer benefits on the higher education system as a whole. The parties have prepared agreed guidelines in relation to long service leave (Attachment 6) and outside studies programmes/professional experience programmes (Attachment 7) which will facilitate such increased mobility. The guidelines will be adopted by each institution within three months of the operative date of this agreement.

7. REGULATION OF THE TAKING OF LONG SERVICE LEAVE

It is agreed that the efficiency of the higher education system will be improved if nationally agreed procedures are adopted to regulate the time at which long service leave is taken. The parties agree to encourage staff members to take long service leave when it falls due. The parties have prepared an agreed draft proposal on this matter (Attachment 8) which will be reflected in awards of the federal Commission within three months of the operative date of this agreement.

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8. VOLUNTARY EARLY RETIREMENT

The parties agree that the establishment of a voluntary early retirement scheme can achieve changes in academic staffing profiles and agree that such a scheme should be established on the basis of the following principles:

- any early retirement should be subject to approval by the Chief Executive Officer.
- the Chief Executive Officer or an academic staff member should be capable of initiating discussions on any early retirement. No academic staff member will be compelled to retire early.
- an appropriate compensation package, negotiated on a case by case basis with the staff member, or at the staff member's request, with the local branch of the union, in addition to any existing superannuation entitlements should be available to all early retirees under this scheme.

The parties agree that guidelines for such a scheme shall be finalised by 30 September 1988.

9. REDUNDANCY

Redeployment, retraining and voluntary retrenchment are acknowledged as appropriate responses to redundancies, and the parties agree to finalise an acceptable redeployment/retraining and voluntary retrenchment package for implementation by 1 January 1989.

The parties note the support of the university and college employers and the Commonwealth for the use of involuntary retrenchment as a response of last resort to redundancy, and the opposition of the unions to such a proposal.

The parties note that the issue of involuntary retrenchment will be arbitrated by the federal Commission, and note that the Commission has determined the existence of industrial disputes in connection with this matter.

10. CONTINUING EMPLOYMENT AND PROBATION

The parties have agreed on a set of principles to regulate the incidence of continuing and non-continuing employment at the level of Lecturer and above (Attachment 9). These principles will be reflected in appropriate federal awards within three months of the operative date of this agreement.
The parties have been unable to agree to a statement on common procedures for the period of probation prior to the granting of continuing employment, and have agreed to convene a further meeting on this matter within one month of the operative date of this agreement.

11. ESTABLISHMENT OF A HIGHER EDUCATION STRUCTURAL ADJUSTMENT WORKING PARTY

The parties note the release of the Commonwealth's Green Paper on higher education. Although the Green Paper proposes major changes to academic employment conditions, and to the structure and funding of higher education, the parties note that the extent and timing of any Commonwealth initiatives for restructuring higher education will not be known until the release of the proposed White Paper on higher education.

The parties recognise that the consequences of any proposed structural change arising out of the White Paper will need to be the subject of negotiations between unions and the employers. For this purpose the parties agree to establish a Higher Education Structural Adjustment Working Party (HESAWP).

The HESAWP shall comprise representatives from the national employer organisations and from the unions. HESAWP shall convene an initial meeting not later than four weeks after the release of the White Paper, and shall meet as often as required after that, provided that the HESAWP shall issue a report on its deliberations no later than three months after the date of release of the White Paper. The report will identify areas of agreement between the parties, areas of difference between the parties and areas requiring further negotiations.
ATTACHMENT 1: DISPUTE RESOLUTION PROCEDURES

Agreement

(i) the productivity and efficiency of each institution, and thus the whole higher education sector, would be enhanced by the implementation of procedures to deal with personal disputes and grievances in an effective and inexpensive manner;

(ii) such procedures would help to minimise disruption to departments and academic units, and would encourage a harmonious work environment;

(iii) such procedures would reduce the administrative time the institutions commit to personal disputes and grievances and the expense of seeking external legal advice and representation;

(iv) common national standards and procedures on the resolution of personal disputes and grievances would enhance the efficiency of the whole higher education sector;

(v) the procedures set out below shall be the National Standards for Dispute Resolution;

(vi) the procedures do not derogate from the right of either party to seek to invoke the authority of an independent tribunal, or from the right of a staff member to seek assistance from their union.

Procedures

1. For the purposes of these procedures a dispute exists where a member of the academic staff lodges a complaint, or notifies a dispute according to the procedures set out below.

2. For the purpose of these procedures a dispute does not arise if the subject of the complaint relates to:
   - Decisions of the Institution’s governing body
   - Appointments
   - Promotion
   - Promotion appeals
Discrimination or equal opportunity procedures

Sexual harassment

Staff assessment

Procedures for dealing with unsatisfactory performance or serious misconduct

Procedures for termination on the grounds of ill-health and such other matters as may be agreed between the institution and the local Branch of the union, provided that a dispute may nevertheless exist in an alleged failure by the Institution to follow the procedures it sets down in each of these areas.

3. The purpose of the procedures is to provide members of staff with the opportunity to resolve a dispute concerning decisions which adversely affect them or other matters about which they are aggrieved, in their capacity as employees of the institution.

4. The procedures are intended to prevent personal conflicts becoming entrenched, and to resolve disputes without delay and in a conciliatory, informal and effective manner.

Conciliators

5. A panel of Conciliators shall be appointed from time to time by the Chief Executive Officer after discussion with the President of the local branch of the union. The Conciliators shall be appointed for a minimum term of two years.

6. It is the role of Conciliators to facilitate the workable resolution of disputes in a manner which is fair and equitable to all parties concerned. The manner of such resolution shall be determined by the Conciliator, taking account of the parties involved in the dispute.

7. The Conciliator shall conduct the proceedings in absolute confidence. Statements, claims and other matters put forward by staff involved in these proceedings shall not be used or made available for consideration in other areas, such as promotion or staff assessment proceedings.

8. The workload of academic staff members who are appointed to the panel of Conciliators may need to be adjusted to take account of their duties as Conciliators.
Chair of Conciliators

9. The Chief Executive Officer shall appoint a person to be the Chair of the panel of Conciliators following discussion with the President of the local branch of the union.

10. The Chair of the panel will be the first point of contact for all disputes, will allocate disputes to an appropriate Conciliator, will receive reports from Conciliators and will report to the Chief Executive Officer and President of the local branch of the union where necessary.

Procedure

11. A member of the academic staff may initiate action under these procedures by notifying the Chair of the panel of Conciliators of the dispute, who shall appoint a Conciliator to consider the matter, or deal with the matter personally.

12. A Conciliator shall, as he or she sees fit, discuss the dispute with all members of staff concerned, suggest ways in which the dispute may be resolved, and attempt to facilitate a fair and reasonable conclusion to the dispute as expeditiously as possible.

13. On completion of these discussions, the Conciliator shall report to the Chair of the panel of Conciliators and to the staff member(s) involved in the dispute.

14. If a dispute has not been resolved the Chair of Conciliators shall provide a copy of the report of the Conciliator to the Chief Executive Officer and to the President of the local branch of the union.

15. Where the Chair of Conciliators provides such a report on an unresolved dispute, a meeting shall be held as soon as practicable between the Chief Executive Officer, the President of the local branch of the union and the Chair of Conciliators, to consider whether any further action is appropriate to resolve the dispute.
ATTACHMENT 2: STAFF DEVELOPMENT AND PROCEDURES FOR STAFF ASSESSMENT

Staff Development

1. Staff Development will assist institutions in improving efficiency in all areas of academic work, and increase their ability to respond to new technology in the workplace and to changing economic and educational priorities.

2. Each Institution should, where funds are available, seek to establish a Staff Development Programme which should offer staff members the opportunity to develop their skills and effectiveness within the institution, and to promote improved performance and efficiency through staff development.

3. Staff Development procedures should be compatible with the development of equal opportunity and affirmative action policies, and offer staff the opportunity for impartial appraisal of their performance and provide avenues to develop in identified areas where appropriate.

4. The Staff Development Programme of most institutions will be assisted by the establishment or maintenance of an Academic Staff Development Unit with adequate staff and other resources, readily accessible to all levels of academic staff. The level of staffing and resources devoted to Staff Development will vary according to the size and needs of each institution.

5. Where Academic Staff Development Units are established they should be staffed by academic and ancillary professional staff who understand and are experienced in the processes of academic teaching, research and administration.

6. Academic Staff Development Units should be involved in the implementation and supervision of Staff Development Programmes.

7. Staff Development Programmes should include components for:

   (a) new members of staff;
   (b) ongoing staff development;
(c) training of Chairs or Heads of Departments, Schools, or other equivalent academic units;

(d) training of supervisors in staff assessment techniques.

(e) training of Conciliators

8. All new staff who have not previously held a teaching post should be encouraged to attend an induction programme. Teaching loads of such staff should make appropriate allowance for this.

9. All academic staff should have access to a range of staff development opportunities including but not restricted to:

(a) programmes and consultative services on teaching and teaching development;

(b) confidential services to assist in the evaluation of teaching for the purposes of improvement.

Staff Assessment

10. The procedures set out below are designed to provide a mechanism to assess the performance of academic staff. The primary purpose of this process is to provide assistance to any staff member whose performance is assessed as requiring improvement.

11. Assessments should only be made by supervisors who have received appropriate training in assessment techniques, and should be directed towards job performance rather than individual characteristics.

12. In respect of every member of academic staff there shall be nominated a supervisor who is to be responsible for the assessment of their performance. Wherever possible supervisors will be competent in the area of expertise of the staff for whom they are responsible in accordance with these provisions.

13. The supervisor shall be the head of department, head of school or faculty, or deputy chief executive officer of the institution as the case may be. Each member of academic staff shall be notified who their supervisor is.
14. If a supervisor is of the view that the performance of a staff member is unsatisfactory, he or she shall initially discuss the matter informally with the staff member. The supervisor is required to tell the staff member clearly what aspect of his or her performance requires improvement, the nature of the improvement required and the time in which the improvement is to take place.

15. If, after the informal discussion or discussions referred to in paragraph 14 (and the time, if any, set for improvement as a result of the discussion process), the supervisor continues to be of the view that the performance of the staff member is unsatisfactory, or in circumstances where there has been a serious and rapid deterioration of the performance of the staff member, the following procedures shall apply:

(i) The supervisor shall inform the staff member in writing what it is that is unsatisfactory in his or her performance.

(ii) The supervisor may direct the staff member to undertake a course of counselling, professional development, appraisal by any relevant assessment unit, or any other steps designed to assist the staff member in improving performance and remedying the aspects of performance that are seen to require improvement, and such direction shall be in writing.

(iii) In addition to the remedial action directed by the supervisor, the written notice shall clearly state the time allowed for improvement before further assessment, and shall set down, if required, a programme of consultation between the staff member and the supervisor to assess and assist progress in making the improvements that are required. A reasonable time shall be allowed by the supervisor in the light of all the circumstances but shall not be longer than twelve months.

(iv) The supervisor may decide at any time during the assessment that the staff member has improved as required, and if this occurs, the supervisor shall forthwith advise the staff member in writing accordingly.
16. Where the required improvement has not occurred during the period set pursuant to clause 15, the supervisor may:

(a) direct that further remedial action take place pursuant to clause 15 and give the staff member a formal warning that failure to improve performance may lead to the forwarding of a formal report to the Chief Executive Officer; or

(b) formally report in writing to the Chief Executive Officer in accordance with the Procedures for Dealing with Unsatisfactory Performance

17. The Chief Executive Officer may instruct a supervisor to report on the performance of any staff member, and if that report identifies unsatisfactory performance by the staff member, then the procedures already detailed shall follow. (See clause 14 and following).
ATTACHMENT 3: PROCEDURES FOR DEALING WITH UNSATISFACTORY PERFORMANCE

1. The supervisor of a member of academic staff may formally report in writing to the Chief Executive Officer that the performance of a member of academic staff is unsatisfactory. The report shall clearly state the aspects of performance seen as unsatisfactory, and shall recommend disciplinary action, which means:

(a) censure; or

(b) (i) withholding of an increment of salary for a period of not more than twelve months where applicable, or

   (ii) demotion

   and giving a formal warning that failure to improve performance may lead to dismissal; or

(c) dismissal from the employment of the Institution.

2. In the event that a supervisor decides to recommend disciplinary action:

   (i) the supervisor shall inform the staff member of the intention to make the report, and shall provide the staff member with a copy of the report at the time it is submitted.

   (ii) the staff member shall be entitled within four weeks to submit to the Chief Executive Officer a written response to the report of the supervisor.

3. On receipt of the report the Chief Executive Officer shall first ascertain that the Procedures for Staff Assessment have been complied with.

4. If the Chief Executive Officer is not satisfied that Procedures for Staff Assessment have been complied with, the matter shall be referred back to the supervisor with an instruction that these procedures be complied with.

5. If the Chief Executive Officer is satisfied that Procedures for Staff Assessment have been complied with, he or she shall, if the staff member so requests, refer the matter to a Committee of Review.
6. A Committee of Review shall consist of three members of academic staff chosen by agreement between the Chief Executive Officer and the President of the local Branch of the union. Wherever possible the members shall be chosen having regard to the academic discipline of the staff member.

7. The Committee of Review shall have its first meeting as soon as possible and in any event not earlier than three and not later than six weeks after the reference from the Chief Executive Officer, provided that this time limit may be varied by agreement between the Committee and the staff member. The Committee shall consider any representations made either orally or in writing by the staff member, who may make the representations in person or through a colleague who is a member of the staff of the institution or an officer of the union.

8. The Committee may require the supervisor to respond to the matters raised by the staff member.

9. The Committee of Review shall decide whether the performance of the staff member is satisfactory or unsatisfactory, and shall comment on the nature of the penalty recommended by the supervisor.

10. The Committee of Review shall give reasons for its decision which shall be made available to the staff member and the Chief Executive Officer as soon as possible and in any event no later than three weeks after the conclusion of proceedings.

11. On receipt of the report of the Committee of Review, the Chief Executive Officer shall decide whether or not to take disciplinary action or dismiss the staff member.

12. If the Chief Executive Officer decides that disciplinary action or dismissal of a staff member is warranted, he or she shall as soon as practicable give the staff member and the supervisor written notice of and the reasons for the decision and, in the case of dismissal or demotion, formal notice of the right to appeal and the appeals procedure.

13. A staff member who is notified of a decision to demote or dismiss by the Chief Executive Officer pursuant to clause 12 above shall have seven days in which to appeal on the grounds that there has been an error or errors in procedure or in a matter fundamental to the decision to demote or dismiss that has had material effect such that
demotion or dismissal should not occur. If no notice of appeal is lodged within this period, the decision of the Chief Executive Officer will take effect.

Appeal Committee

14. The Appeal Committee shall consist of:

(i) a senior member of the legal profession or a person with appropriate experience in industrial relations appointed by agreement between the Chief Executive Officer and the President of the local Branch of the union;

(ii) a nominee of the Chief Executive Officer; and

(iii) a nominee of the President of the local Branch of the union.

15. The Committee shall have its first meeting as soon as possible and in any event not earlier than three and not later than six weeks after the notice of appeal, provided that this time limit may be varied by agreement between the Committee and the staff member. The Committee shall consider any representations made either orally or in writing by the staff member, who may make the representations in person or through a colleague who is a member of the staff of the institution or an officer of the union.

16. The Committee may require the Chief Executive Officer to respond to the matters raised by the staff member.

17. The Committee shall either:

(a) quash the decision to demote or dismiss, and may substitute such other disciplinary measures as are set out in clause 1 (a) to (c); or

(b) confirm the decision to demote or dismiss.

18. The Committee shall give reasons for its decision which shall be made available to the staff member and the Chief Executive Officer as soon as possible and in any event no later than three weeks after the conclusion of proceedings.
19. The decision of the Chief Executive Officer or the Appeal Committee, as the case may be, shall be final, except where current rules or practices require that a recommendation or decision to demote or dismiss a staff member be ratified by the governing body of the institution, and subject to the jurisdiction of any competent external authority.

20. If the staff member offers his or her resignation with immediate effect during the operation of these procedures, the resignation shall forthwith be accepted by the Chief Executive Officer and the proceedings shall thereupon cease.
ATTACHMENT 4: PROCEDURES IN RESPECT OF SERIOUS MISCONDUCT

1. In the context of these procedures serious misconduct shall mean:

(i) serious misbehaviour of a kind which constitutes a serious impediment to the carrying out of the member's duties or to other members carrying out their duties,

(ii) serious dereliction of the duties required of the member's office, or

(iii) conviction by a court of competent jurisdiction of an offence of a kind which constitutes a serious impediment to the carrying out of the member's duties or to other members carrying out their duties.

2. Where there is any question that a staff member may have been guilty of serious misconduct, the matter shall be investigated and reported on solely in accordance with these procedures, notwithstanding anything to the contrary in the staff member's terms of employment or any other procedure(s) that may currently be in operation at any Institution.

3. All allegations of serious misconduct shall be investigated in the first instance by the Chief Executive Officer of the employing institution.

4. Where the Chief Executive Officer believes that an allegation of serious misconduct by a staff member warrants further investigation, he or she shall:

(i) notify the staff member in writing of the nature of the act or acts or omission or omissions which constitute the alleged serious misconduct; and

(ii) require the staff member within thirty days to submit a written response.

provided that:

(iii) the Chief Executive Officer may, at the time the substance of the allegation is conveyed to the staff member, if he or she considers it necessary and in the interests of the institution, suspend the staff member from duty, with pay, and exclude him or her from the Institution.
A staff member who is suspended and excluded from the Institution shall be permitted reasonable access to the Institution for the preparation of his or her response to the allegation and to collect books, papers and other personal property.

5. If the allegation is admitted in full by the staff member, and the Chief Executive Officer is of the opinion that the conduct of the staff member amounts to serious misconduct, the Chief Executive Officer may:

(i) counsel the staff member; or

(ii) censure the staff member; or

(iii) (a) withhold an increment of salary, where applicable, for a period of not more than twelve months, or

(b) demote the staff member and give the staff member a warning that any repetition of the conduct may lead to dismissal; or

(iv) dismiss the staff member from the employment of the Institution.

6. If the allegation is denied in part or in full by the staff member, and the Chief Executive Officer decides that the staff member is not guilty of any misconduct at all, the Chief Executive Officer shall make a formal finding to that effect which shall be communicated in writing to the staff member.

7. If the allegation is denied in part or in full by the staff member, and the Chief Executive Officer decides that the staff member is not guilty of serious misconduct but has nonetheless engaged in conduct that is unsatisfactory, the Chief Executive Officer may:

(i) counsel the staff member; or

(ii) censure the staff member; or

(iii) give the staff member a warning that any repetition of the conduct may be regarded as serious misconduct.
8. If the allegation is denied in part or in full by the staff member, and the Chief Executive Officer decides that a prima facie case for serious misconduct exists, or if the allegation has been admitted in full pursuant to Clause 5 but the penalty is disputed by the staff member, the Chief Executive Officer shall proceed to refer the matter to a committee of investigation (hereinafter referred to as "the Committee").

9. The Committee shall consist of:

(i) a senior member of the legal profession or a person with appropriate experience in industrial relations appointed by agreement between the Chief Executive Officer and the President of the local Branch of the union;

(ii) a nominee of the Chief Executive Officer; and

(iii) a nominee of the President of the local Branch of the union.

10. The function of the Committee shall be to investigate any case referred to it by the Chief Executive Officer pursuant to Clause 8.

11. (i) The Committee shall hold its first hearing promptly after the receipt by its Chairperson from the Chief Executive Officer of the allegation(s) of serious misconduct.

(ii) The Chief Executive Officer shall appoint a person who is a staff member or an officer of the relevant employer’s association to present on behalf of the Institution the case to the Committee. This person may call witnesses in support of the case and may cross-examine any persons (including the staff member) appearing in support of the case of the staff member.

(iii) The staff member shall have the right to be present at all hearings of the Committee provided that the Committee may deliberate on its findings and report in private.

(iv) The staff member shall be entitled to be assisted or represented at all hearings of the Committee by an agent of his or her own choice who is a staff member of the institution or an officer of the
union and may personally or by his or her agent call witnesses in support of his or her case and may cross-examine persons called on behalf of the Institution.

(v) The Committee shall give each party reasonable notice of the time and place at which the initial and subsequent hearings shall take place. The Committee may at any time adjourn the proceedings to another time and place.

(vi) The Committee shall, subject to this clause, determine its own procedures, and shall not be bound by the rules of evidence but may inform itself on any matter in such manner as it thinks appropriate and as the consideration of the matter before it permits.

(vii) The Committee may decide that all oral evidence and submissions shall be tape-recorded. A copy of the tape-recording shall be provided to the staff member and the institution upon request and at their respective costs.

(viii) All proceedings of the Committee shall be held in camera. No persons except the members of the Committee and any person providing secretarial assistance to the Committee shall be present during its deliberations after the evidence has been presented and all submissions have been completed. The members of the Committee shall treat the proceedings, report and all matters relating thereto as confidential.

(ix) In the event that the staff member does not attend either personally or by his or her agent after reasonable notice of the Committee's intention to meet has been given to the member of staff or his or her agent, the Committee may proceed and may determine the matter in his or her absence.

12. The Committee shall, after hearing and considering the evidence adduced and submissions made before it, promptly report in writing to the Chief Executive Officer on:

(i) whether it is satisfied that each of the facts or matters alleged has been proven;

(ii) whether the facts as proven constitute serious misconduct on the part of the staff member; and
(iii) its recommendation as to whether the Chief Executive Officer should exercise any of the powers referred to in Clause 5 hereof,

together with the reasons for its findings, provided that where the Committee has investigated a matter in which the facts are not disputed but the penalty imposed is disputed, the Committee shall report only in accordance with (ii) and (iii) above.

13. The Committee shall, when it furnishes its report to the Chief Executive Officer, forward to the staff member a copy of the same report.

14. The Chief Executive Officer shall, after receiving the report of the Committee, act on its findings by proceeding forthwith to exercise one or more of the following powers, namely to:

(i) dismiss the case and remove any suspension previously placed upon the staff member; or

(ii) censure the staff member, withhold an increment of salary for a period not exceeding twelve months, demote the staff member, or dismiss the staff member from the employment of the institution.

15. The decision of the Chief Executive Officer shall be final, except where current rules or practices require that a recommendation or decision to demote or dismiss a staff member be ratified by the governing body of the institution, and subject to the jurisdiction of any competent external authority.

16. If the staff member offers his or her resignation with immediate effect during the operation of these procedures, the resignation shall forthwith be accepted by the Chief Executive Officer and the proceedings shall thereupon cease.
ATTACHMENT 5: TERMINATION OF EMPLOYMENT ON THE GROUNDS OF ILL HEALTH

1. The Chief Executive Officer of an institution may require any staff member whose capacity to perform the duties of his or her office is in doubt to undergo a medical examination by a medical practitioner chosen by the institution at the expense of the institution.

2. A copy of the medical report made by the medical practitioner pursuant to clause 1 shall be made available to the Chief Executive Officer and to the staff member.

3. If the medical examination reveals that the staff member is unable to perform his or her duties and is unlikely to be able to resume them within a reasonable period, being not less than twelve months, the Chief Executive Officer may, subject to clause 4 below, terminate the employment of the staff member in accordance with the notice required by the staff member's contract of employment. Prior to taking action to terminate the employment of a staff member, the Chief Executive Officer may offer the staff member the opportunity to submit a resignation and, if such a resignation is offered, shall accept it forthwith and not proceed with action to terminate employment.

4. If the staff member or a person acting on their behalf so requests, the Chief Executive Officer shall not terminate the employment of a staff member until the institution has received the findings of a panel consisting of three medical practitioners, one of whom shall be appointed by the institution, one by the staff member or by a person acting on his or her behalf, and one by the President of the State or Territory Branch of the Australian Medical Association.

5. In making an assessment as to whether or not a staff member is unable to perform his or her duties and is unlikely to be able to resume them within a reasonable period, the medical practitioner or panel of medical practitioners appointed pursuant to this agreement shall as far as possible apply the same standards as are used by the staff member's superannuation scheme, if any, in determining qualification for the payment of a disablement pension or other similar benefit.

6. These provisions shall not displace or override any existing workers compensation schemes, including WorkCare and WorkCover, or the provisions contained in any workers compensation legislation that may be enacted.
7. A Chief Executive Officer may construe a refusal by a staff member to undergo medical examination in accordance with these procedures within three months of a written request to do so as prima facie evidence that such a medical examination would have found that the staff member is unable to perform his or her duties and is unlikely to be able to resume them within twelve months, and may act accordingly; provided that such a refusal by a staff member in these circumstances shall not constitute misconduct nor lead to any greater penalty or loss of entitlements than would have resulted from an adverse medical report.
ATTACHMENT 6: GUIDELINE ON THE TRANSFERABILITY OF LONG SERVICE LEAVE

1. The interchange of staff between institutions of higher education ("institutions") can confer benefits on the Australian higher education system as a whole. It follows that staff mobility between institutions should be facilitated and inhibiting factors should be diminished. One of the factors involved is the transferability of long service leave, and the following guideline is designed to establish orderly arrangements for the transfer of long service leave entitlements of staff from one institution to another.

2. This guideline:

(a) does not apply to staff transferring before 1 June 1988;

(b) applies to full-time academic staff but not to staff who are employed on a part-time or casual basis, or to staff whose salaries are paid from external funds which make no provision for long service leave, e.g. grants from bodies such as the ARC and NH & MRC. The recognition of service other than on a full-time basis is dependent upon the rules of the receiving institution.

3. Under this guideline, each institution should recognise all prior continuous paid full-time service with other Australian higher education institutions as qualifying service for the purpose of determining long service leave entitlement under its own rules, provided that if a staff member has taken a period of long service leave or has been paid in lieu of a period of long service leave, such period shall be deducted from any entitlement due; and further provided that if a staff member is eligible for a period of long service leave, or for payment in lieu, immediately prior to his or her transfer to another institution, the staff member's current institution shall grant such leave and/or make payment in lieu, prior to the transfer taking place, unless some other specific arrangement for the transfer of an entitlement has been concluded between the two institutions concerned.

4. Eligibility for recognition of service with the releasing institution is dependent upon continuity of employment between the releasing and receiving institutions.
5. If there is not more than two months between the cessation of employment with the releasing institution and commencement with the receiving institution, continuity will be deemed not to have been broken, but the period between cessation and commencement shall not be taken into account in determining length of service for long service leave purposes. Recognition of longer breaks in service is dependent upon the rules and regulations of the receiving institution.

6. Individual institutions are invited to give special attention to the rules for long service leave transferability after a break in employment of more than two months in the case of staff who were previously in a contract or other non-continuing position.

7. A receiving institution:

   (a) should grant credit for the period of service certified by the releasing institution in respect of which the staff member has received neither long service leave nor pay in lieu on resignation for service in that or other Australian higher education institutions as provided for herein;

   (b) shall have discretion as to the recognition of any other service which had been recognised by the releasing institution.

Leave granted, or payment made in lieu of such leave by the receiving institution, should be in accordance with the conditions applicable for that length of service as if it were initial service with the receiving institution.

8. Unless the receiving institution determines otherwise, the staff member should be required to serve at least three years before being permitted to take long service leave; this provision shall not affect any existing condition for payment in lieu of such leave.

9. Recognition of previous service other than as provided for in this guideline shall be a matter for individual institutions to determine.
ATTACHMENT 7: GUIDELINE ON OUTSIDE STUDY PROGRAMMES - TRANSFERABILITY OF SERVICE

1. The interchange of staff between higher education institutions can confer benefits on the Australian higher education system as a whole. It follows that staff mobility between institutions should be facilitated and inhibiting factors should be diminished. One of the factors involved is outside studies programmes or professional experience programmes ("OSP/PEP"). These programmes exist in all Australian higher education institutions, and the following guideline is designed to assist higher education institutions in establishing a common approach when considering the granting of credit for previous service with another Australian institution.

2. This guideline:

(a) applies to full-time academic staff, and to fractional staff employed on a continuing basis, by Australian higher education institutions at the level of Lecturer and above.

(b) does not apply to academic staff who are employed on a non-continuing fractional basis, or on a casual basis, or to staff whose salaries are paid from external funds which make no provision for OSP/PEP e.g. grants from bodies such as the ARC and NH & MRC.

3. Under this guideline, the recognition of service other than on a full-time basis or below Lecturer level is dependent upon the rules of the receiving institution.

4. Each institution should recognise prior continuous paid full-time service with other Australian higher education institutions as qualifying service when considering applications for OSP/PEP under its own rules; provided that if a staff member has taken a period of time on OSP/PEP, that period should be taken into account in the consideration.

5. Eligibility for recognition of service with the releasing institution is dependent upon continuity of employment between the releasing and receiving higher education institutions.

6. If there is not more than two months between the cessation of employment with the releasing institution and commencement with the receiving institution, continuity
should be deemed not to have been broken, but the period between cessation and commencement should not be taken into account in determining length of service for the purposes of this guideline.

7. Recognition of longer breaks in service is dependent upon the rules and practices of the receiving higher education institutions.

8. Recognition of previous service other than as provided in this guideline should be a matter for individual higher education institutions to determine.

9. The introduction of this guideline is not intended to extend eligibility for OSP/PEP to any staff member not currently eligible to apply for such leave under the rules of an employing institution, nor is it intended to remove eligibility to apply for OSP/PEP from any staff member who is currently eligible under the rules of an employing institution.
ATTACHMENT 8: TIME OF TAKING LONG SERVICE LEAVE

1. Subject to clause 2 hereof, a member of staff who has qualified for long service leave shall be entitled to take long service leave at a time of his or her choosing, provided that at least 6 months written notice of such leave is given and, in the absence of such notice, the Chief Executive Officer consents.

2. Where a member of staff has accumulated a long service leave entitlement in excess of 4.5 months, the Chief Executive Officer may give the staff member written notice to take up to three months of such leave, at a time convenient to the needs of the institution, provided that:

   (i) the Chief Executive Officer shall give the staff member written notice of at least 12 months of the date on which leave must commence;

   (ii) the staff member shall not be required to take long service leave within 24 months of the intended date of retirement of the staff member;

   (iii) the minimum period of leave the employer can require a staff member to take shall be six weeks;

   (iv) in any case were a staff member has taken leave pursuant to this clause the Chief Executive Officer shall not require the staff member to take a further period of long service leave for a period of 2 years after the end of that period of leave.

3. The coming into operation of these provisions shall not in any way affect or alter existing procedures and practices with regard to Long Service Leave except to the extent that these provisions explicitly provide.
ATTACHMENT 9: CONTINUING AND NON-CONTINUING EMPLOYMENT

1. The parties agree that the incidence of non-continuing employment should be regulated on the basis of the following principles:

   (i) each institution will at least double the existing proportion of non-continuing staff at Senior Lecturer and above, excluding research-only staff.

   (ii) there will be some decrease in the existing proportions of non-continuing employment in the Lecturer grade. Where the proportion set out in (i) above exceeds 10%, then the decrease will be one for one.

   (iii) the proportions above will be expressed as the percentage of full-time equivalent academic staff numbers.

   (iv) the parties will meet at an early date to determine and specify the existing proportions of non-continuing employment at Lecturer and above for each institution. Such meetings will be held at least annually thereafter to review the staffing statistics and the implementation of this agreement.

provided that:

   (a) the parties undertake not to pursue the matter of the incidence of continuing and non-continuing appointments at Lecturer level and above for the period specified in Clause 2 below.

   (b) nothing in this agreement shall have the effect of overruling existing agreements and awards in respect of overall limits on the maximum percentages of non-continuing appointments.

2. The parties further agree that all institutions will achieve the proportions set out above within a period of two years (or three years by agreement between the parties and subject to the discussions in (iv) above) of the operative date of this agreement.
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