

# The problem with diversity

**D**iversity – fund it or stop talking about it,” was the blunt message Professor Ross Milbourne took to last week’s Higher Education Summit. His ‘take no prisoners’-style presentation argued that diversity is merely rhetoric unless there are fundamental changes to the way universities are funded.

Milbourne, who is vice-chancellor of the University of Technology, Sydney, said there are currently five public policy tools which the government uses to promote diversity, but which, in fact, run counter to the diversity agenda. They are: allocation of Commonwealth places (“will take 50 years if done incrementally”); the Collaboration and Structural Reform Fund (“by funding joint initiatives between universities, CASR keeps existing disciplinary profiles intact”); new private universities (“concentrate on relatively low-cost, high-demand areas, not areas upon which international research reputations are built”); alignment with Bologna Process (“designed to produce homogeneity and conformity”); and research block funding (“changes in block grant formulas will produce no changes in disciplinary specialisation”). None of these lend themselves to diversity in disciplinary specialisation, in purpose or mission.

“With the current available policy settings our slogan should be: ‘diversity – you can’t get there from here’.

“The current regulatory regime which sets both price and quantity (by university, course and campus) is one of the few surviving examples of

Stalinist central planning remaining in the Western world,” Milbourne said.

He then went on to ask if partial or full deregulation of such a system would produce diversity and if so, what alternate policy tools could be put in its place.

One idea, he said, is instead of funding universities for places, students are given “vouchers” for their preferred course of study.

“Instead of handing out engineering places to a number of universities for example, the equivalent number of total engineering vouchers were handed out to students to choose where they went [to study]. Some universities with strong demand would phase in more places; others would phase them out in certain disciplines, such that the total number would remain the same.

“This might produce some movement towards specialisation but would it produce a diversity solution? At current levels of Commonwealth funding, universities substantially cross-subsidise from international (and domestic) full-fee paying activities to produce acceptable quality teaching for Commonwealth-supported students. Why would universities add net additional under-funded places if they have to spread the international subsidy even thinner? But more importantly, why would universities increase their ‘portfolio risk’ by holding just a few eggs in their basket and run the risk of future adverse student demand or more likely, future adverse price and funding caps imposed by future governments? No risk management committee of a university council would ever allow

exposure to such risks. This form of deregulation by itself will not work.”

Arguing that price deregulation is necessary, but not enough, Milbourne said the key to diversity is a rebalancing of the academic profile.

“The system requires a deregulation of both price and quantity constraints to effect greater diversity,” he said.

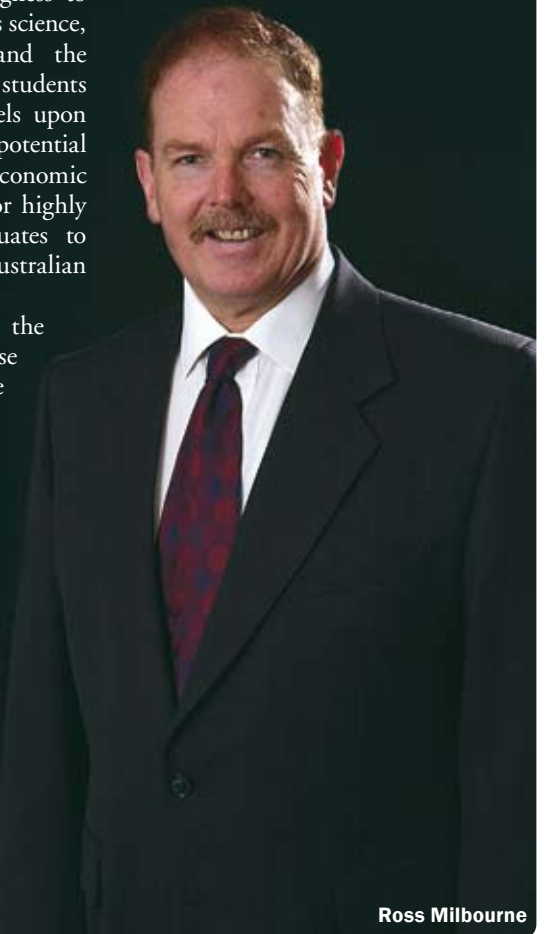
However, there are two major downsides: a mismatch between the cost of provision and willingness to pay, especially in areas such as science, engineering and nursing and the increasing cost of education to students – increased HECS debt levels upon graduation will lead to “a potential negative effect upon socio-economic diversity, and an incentive for highly internationally mobile graduates to move overseas to escape the Australian tax domain”.

Milbourne said to provide the flexibility to fund a diverse and specialised system, there needed to be three things:

- Freeze on the provision of additional under-funded Commonwealth-supported places (and if necessary a reduction);
- A removal of current price caps on fee contributions;
- Commonwealth contributions re-packaged into four components: tuition scholarships allocated on the basis of merit; skill shortage tuition scholarships designed to reduce the gap

between fee levels and the tuition scholarship in critical skill shortage areas; an equity voucher to match price cap increases to promote socio-economic diversity in both skill shortage and non-priority areas; and a HECS debt repurchase scheme to attract and retain graduates in key industries.

**Julie Hare**



**Ross Milbourne**

## Fairer higher education means going back to school

**E**quitable access to higher education hinges on improving school retention rates, University of Melbourne vice-chancellor, Professor Glyn Davis, said last week.

Poverty and low socio-economic status take their toll well before young people reach university and efforts to redress inequalities should be concentrated on the pre-school and school years, he said at the Higher Education Summit in Melbourne last week.

Although universities have a role to play in providing research, advice and a sympathetic destination for students who did make it through, tertiary-level equity schemes could only ameliorate – not solve – the problem.

“For a significant number of citizens,

Year 12 is an unlikely prospect and university entrance an impossibility,” Davis said.

“The pattern is found in many indigenous communities but the same dynamic of disadvantage – early school-leaving and then lifelong struggle to find meaningful employment – is all too common.”

But a sustained national effort could work, said Davis, pointing to the push by states and territories to improve school retention rates in the 1980s and early 1990s, which resulted in an improved flow of students from poorer circumstances to university.

“Students from families of low socio-economic status are lost to higher education during the final years of school; they do not convert the academic potential

evident in Year 9 to Year 12 results as effectively as students from high socio-economic status groups,” Davis said.

“It is school performance, as expressed in the ENTER score – not a student’s socio-economic status – which determines whether they go to university.

“The currency of university admissions is school results, not money.”

Overall, Australia’s higher education system had a “good story to tell on access and equity”, with the country rated sixth highest among OECD nations for education attainment rates.

That success was thanks largely to HECS, which had removed tuition costs as an impediment to participation, Davis said.

But the HECS system needs to be defended and extended, Davis said.

“It remains anomalous, for example, that vocational education students are expected to pay fees up front while higher education students can defer payment,” he said.

“This deters study at vocational institutions and so denies some Australians a pathway through to university.”

Equally as important was welfare support, said Davis, who called for a comprehensive review and expansion of student support programs.

“Poverty is a more direct threat to equality of opportunity than tuition fees because it is immediate,” he said.

“If the social security system does not provide a genuine ‘safety net’, universities will indeed only be accessible to those from wealthy backgrounds.”

**Joanna Mather**