

Governing Australia's Post Compulsory Education Ecosystem

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Aspirations for Australian Post Compulsory Education

The Monash Commission holds a vision for Australia as a fair, democratic, prosperous and enterprising nation, and as a good global citizen that promotes human progress at home and abroad.

The Commission views post compulsory education as core to realising that vision.

The post compulsory education ecosystem must be able to consistently deliver expected high quality services.¹ It must do this even as definitions of quality continually evolve. More broadly, this ecosystem must be sufficiently adaptable to embrace the challenges of disruption and innovation.

Approaches to Ecosystem Governance

All societies contain multitudes of governance arrangements structuring organisational and individual interactions. They do this to ease transactions, coordinate collective action, and promote attainment of valued outcomes (Pierre 2000).

Typically, governance arrangements evolve to meet changing contingencies. However, evolution can be slow – this is often the result of deliberate design. Governance arrangements are valued most for the stability they create. When governance arrangements are perceived as having outlived their usefulness, people propose alternative ways of doing things that seem more fit for current circumstances.

Australia's post compulsory education system has faced two major governance shifts over the past century.

The federal government's move to take charge of university funding in 1957 was the first shift. For the next thirty years, federal policy and funding of universities occurred through the Universities Commission. It was renamed the Tertiary Education Commission when its brief was extended to include vocational education. The Tertiary Education Commission operated at arm's length from the Minister of the day, but it was still a government entity. During its years of operation it built strong

¹ We follow Parker, Dempster, and Warburton (2018) in describing the post compulsory education sector as an 'ecosystem'.

expertise, published reports, encouraged public discussion and took the long view. In some ways, that success also sewed seeds for its demise. With time, the Commission came to be seen as too close to the sector it was intended to govern and unable or unwilling to respond to Ministerial directives. In 1987, Education Minister John Dawkins abolished the Commission because he knew it would oppose the significant changes he sought to introduce to the sector (Marginson 2012).

The Dawkins reforms heralded the second shift in governance of Australia's post compulsory education system. We are the inheritors of the governance arrangements established at that time. John Dawkins merged universities and colleges of advanced education in a single system, introduced HECS, and created the Australian Research Council, and presided over a 50% increase in student numbers in higher education. In the absence of a Commission, the Minister's office, together with the relevant federal department, directly administered higher education policy. Today, oversight of higher education falls to staff in the Department of Education and Training. Common critiques of current arrangements is that they are too subject to capricious action on the part of a Minister. There is no buffer between the Minister and the sector. Given the electoral incentives faced by governments and ministers, policy towards post compulsory education is often dominated by short-term thinking. Current governance arrangements are seen as inhibiting the development of a strategic vision for the sector. As Simon Marginson has observed, 'Canberra takes in a narrow range of inputs in policy, sponsors less research on trends and prospects than at any time since 1957, and treats the higher education sector as a set of vested interests to be managed — and divided against each other — not as its partners in a common national enterprise' (Marginson 2012).

Calls for a New Tertiary Education Commission

In the past decade, some tertiary sector leaders have claimed there would be merit in returning to governance arrangements involving a tertiary education commission.² Glyn Davis (2017) has refined the argument. Davis admits 'it may seem counterintuitive to recommend an expert oversight body in the midst of an accelerating, rapacious and innovative set of challenges'. However, Davis suggests that a Commission 'would be the guardian of intelligent policy design, leaving ministers to set overall direction for the sector without involvement in the day-to-day administration' (p.122).

Desirable Qualities of a New Governance Regime

Reflecting on the road travelled over the past few decades and anticipating on-going challenges of disruption and innovation, we can begin to derive desirable qualities of a new governance regime. The qualities contained in the following list are neither mutually exclusive nor collectively exhaustive. We hope the list will provoke discussion of what is wanted from a new governance regime. Once broad agreement has been reached on those desirable qualities, efforts can be made to design a governance regime that is fit for purpose. Any new governance regime for Australia's post compulsory education ecosystem should:

1. Operate at arms-length from Ministers but ensure sound Ministerial oversight (which is vital for building on-going support for the sector)
2. Have built-in reauthorisation dates (say, every decade) for key elements of the regime (eg, commissions, quality standards agencies, research funding bodies, etc.) where serious reconsideration occurs regarding the appropriateness of the regime for the years ahead

² See Craven and Davis (2012), Davis (2017), Goedegebuure, Massaro, Meek, and Pettigrew (2017), and Marginson (2012). Parker, Dempster, and Warburton (2018) make arguments that are consistent with more centralised decision-making for the whole post compulsory ecosystem.

3. Continuously monitor key developments and trends inside and outside the sector and report upon them
4. Promote evidence-informed, long-term strategic thinking for all post compulsory education
5. Ensure that the sector interacts effectively with other relevant sectors (such as the compulsory education sector and the sectors of society that employ graduates of post compulsory programs)
6. Promote world-leading educational offerings and research activities (this is vital both for Australia and Australians; and, of course, the sector must find ways to continuously improve its attractiveness to international students and international research sponsors)
7. Encourage equity in the sector so that students can access educational offerings of a form and quality that is most suited to their medium-term career goals
8. Promote efficient use of resources within the sector, and use financial data to identify and explain variation across the sector
9. Provide adequate regulatory safeguards to ensure that the sector is high functioning and that poor performance and unsatisfactory conduct is rapidly identified and rectified
10. Through smart data management and deployment of information technology, continually reduce administrative and reporting burdens on organisations and individuals while also seeking to provide those same entities with timely information that can support effective decision-making.

Governance arrangements – no matter what communities, structures, or organisations they apply to – should generally serve to promote efficiency, equity, and administrative simplicity. These are criteria that have long been used to judge the merits of many public policy proposals. The desirable qualities listed above approximate those criteria, although we accept that more discussion of desirable properties is vital for helping us chart sound future pathways for the post compulsory education ecosystem.

Suggested Next Steps

In this essay, we have noted that a tertiary education commission has been used in Australia in the past and that calls have been made for the re-introduction of such a body. At this point, either/or thinking might not be the best way forward. We need to further investigate what features of a governance regime are best suited for the pursuit of specific valued outcomes. It could be that an overarching commission has merit. It could also be that disaggregation and a degree of coordination across separate, specialist governance structures would be more desirable. There are some well-functioning entities (like the Tertiary Education Quality Standards Agency) that could serve as building blocks in a new governance regime. Beyond this, consideration also needs to be given to the problem of expertise (Holst 2014, Raynor 2003). In a complex sector where specialist knowledge is both deployed and produced, it is vital that those making governance decisions are appropriately knowledgeable, yet that they enjoy broad legitimacy as they make decisions over the allocation of public money. In the appendix, we briefly review examples of post compulsory education governing arrangements in five peer nations. As with all the content in this essay, we offer these reviews as starting points for further reflection, conversation, and detailed analysis.

About the Authors

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Appendix: Examples of Post Compulsory Education Governance Arrangements in Five Peer Nations

Hong Kong

The Education Bureau of the Government of Hong Kong Special Administrative Region is responsible for formulating, developing, and reviewing policies, programs, and legislation relating to education from pre-primary to tertiary level. It also oversees the implementation of educational programs. The Education Bureau monitors the University Grants Committee, the Student Finance Office, the Hong Kong Examinations and Assessment Authority, the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, and the Vocational Training Council (Education Bureau 2016). As Hong Kong was under British Colonial rule from 1842-1997, its higher education governance is strongly influenced by historical models of university governance in the United Kingdom.

The University Grants Committee (UGC) ensures that the public universities are held accountable for the effective use of public resources whilst maintaining their autonomy. The UGC primarily reviews the academic development proposals of eight public higher education institutions and the underpinning resource strategies and channels relating to government funding accordingly. The UGC's members are appointed by the chief executive of the Hong Kong Special Administrative Region (SAR). These members include local and foreign academics, higher education administrators, and lay members from local communities. The UGC is responsible for distributing and accounting for public funding, conducting quality assurance, performing strategic thinking and advice and ensuring the implementation of strategies. The UGC acts as a buffer between the government and higher education institutions to avoid political interference with the management of universities and to protect the academic freedom of staff members in its academic institutions. The UGC is also an 'honest broker' that is placed at the interface between higher education institutions and society (represented by the government) and ensures value for public funding. To uphold accountability, the UGC implemented quality assurance exercises (Lo 2018).

The Research Grants Council (RGC) was established under the UGC and its primary task is to manage government-allocated research grants. It conducted the first Research Assessment Exercise in 1993 and now conducts them every six years. The aim of the Exercise is to ensure the cost effectiveness of research grants offered by the government. There was concern that the implementation of Research Assessment Exercises could drive universities to overemphasize research and neglect teaching, thus the UGC launched the Teaching and Learning Quality Process Reviews in 1996. In 2007, the Quality Assurance Council was established as a semi-autonomous body under UGC to oversee the quality of programs at first degree and above levels offered by UGC-funded institutions. The missions of the Quality Assurance Council Audit replaced the Teaching and Learning Quality Process Reviews. The council conducts audits in teaching and learning to examine whether and how institutions have achieved their stated purposes (Lo 2018; Mok 2014).

New Zealand

New Zealand's Tertiary Education Commission (TEC) has its origins in efforts by the Labour-led coalition government elected in 1999 to redress some of the atomisation of the post compulsory education sector that occurred under earlier governments. TEC's purpose is 'to make a positive difference to the prosperity and wellbeing of all New Zealanders through tertiary education, career information and connections' (TEC 2017). Its scope encompasses all forms of post-secondary school education. This includes foundation education such as basic literacy and numeracy, and adult community education, through to vocational education including apprenticeships, and higher education including research.

TEC is an implementation agency, led by a group of seven commissioners appointed by the Minister of Education. It leads the government's relationship with the tertiary education sector in New Zealand and provides career services from education to employment. Broad policy directions

for the post compulsory education sector continue to be set by the Minister, on advice from the Ministry of Education. Further, the Ministry of Education provides oversight of the actions of TEC. TEC is joined in governing the post compulsory education sector by the New Zealand Qualifications Authority (NZQA). The Royal Society of New Zealand disburses competitively sought research funds.

TEC's annual planning cycle is prompted by a Letter of Expectations provided by the Minister of Education. This Letter outlines the Minister's key priorities and expectations for the forthcoming year. The Letter is prepared by Ministry of Education with input from TEC. The Commission invests funding on behalf of the government to supporting the tertiary and careers system to ensure New Zealanders are equipped with the knowledge and skills they need for lifelong success. TEC gives effect to the Tertiary Education Strategy (TES) by funding tertiary education organisations (TEOs) growing their capability and monitoring their performance. TEC also advises the Minister on tertiary education organisations and sector performance and on the operational impact of policy. Among other things, TEC administers the Performance Based Research Fund, which is New Zealand's equivalent of the research assessment exercises now found in other jurisdictions, including Australia, Hong Kong, and the United Kingdom.

Recently, TEC has moved from focusing on system inputs (participation) and outputs (graduations) to include outcomes from tertiary education for learners, society and the economy. Under this 'investment approach', desirable outcomes for learners have been defined to include higher employment and incomes, and more choices in life. TEC recognises that more highly educated people also enjoy indirect benefits from education, such as better health, enhanced parenting skills and greater community participation. Valued outcomes for the society and the economy have been defined to include social cohesion, innovation-based productivity gains, and the avoidance of social costs through lower crime and reduced benefit dependency (TEC 2017)

Singapore

Singapore's Ministry of Education (MOE) formulates and implements education policies for Government funded schools, and the Institute of Technical Education, polytechnics, and universities (MOE 2017). Post-compulsory education governance in Singapore falls to the Higher Education Group within the MOE. The Higher Education Group is further divided into four divisions (MOE 2018). The Higher Education Policy Division (HEPD) formulates, implements, and reviews policies relating to universities, polytechnics, the Institute of Technical Education, private education and the Arts Institutions. Additionally, HEPD conducts research and scans of the higher education environment that inform higher education policy (MOE 2018). Meanwhile, the Higher Education Operations Division (HEOD) has responsibility for strategic Human Resource matters relating to the post-secondary education institutions, the Higher Education Quality Assurance framework, service quality, as well as contingency planning and incident management for post-secondary education institutions and the relevant MOE Statutory Boards (MOE 2018). The Academic Research Division (ARD) formulates, implements, and reviews academic research and researches manpower policies and funding under the Research Innovation and Enterprise Masterplan for the universities, polytechnics and the Institute of Technical Education. ARD also reviews the progress and performance of the Research Centres of Excellence and administers research funds, including the MOE Academic Research Fund and the Research Scholarship Block. It also formulates policies pertaining to social science and humanities research and constitutes the secretariats for the Academic Research Council and the Social Science Research Council (MOE 2018). Lastly, the SkillsFuture Division (SFD) helps to drive SkillsFuture by undertaking planning and policy work for SkillsFuture initiatives (MOE 2018). SkillsFuture is a national movement to provide Singaporeans with the opportunities to develop their fullest potential, regardless of where they are starting from (SkillsFuture 2018). SFD formulates, reviews, and implements policies to support continual and lifelong learning, and works with the universities, polytechnics and the Institute of Technical Education to develop multiple pathways for education and training. The Committee for Private

Education (CPE) was appointed by the SkillsFuture Singapore (SSG) Board in October 2016 to carry out its functions and powers relating to private education under the Private Education Act. The CPE is supported by staff from SSG to regulate the sector, provide student services, consumer education and facilitate capability development efforts to uplift standards in the local private education industry (CPE 2017).

United Kingdom

In the United Kingdom, higher education governance is devolved, with distinct policy frameworks in each nation. England, as the largest nation, is the most expedient system to benchmark. The bodies that sit between universities and government in the UK have evolved overtime, being reformed based according to the political priorities of the day. The original University Grants Committee (UGC) dating back to 1919 was replaced with a Funding Council model by the Thatcher governments of the 1980s, which in turn was succeeded by new governance arrangements in 2018. The new Office for Students (OfS), as its title suggests, is cast as an industry regulator (rather than a funding body) charged with acting in the interests of students as consumers in a more liberalised marketplace. The OfS is the main body in the regulatory framework enshrined within the Conservative Government's 2017 Higher Education and Research Act. This new framework, and the powers it bestows on the OfS, represents a new form of state steering of higher education. It will be interesting to observe how the new regulatory arrangements in England work in practice over the next couple of years, particular in the areas where sanctions are used and to follow the ramifications for institutional autonomy.

In February 2018 the UK prime minister announced a review of Post-18 Education and Funding in England (Gunn and Carasso 2018). The review considers the themes of enhancing choice and competition, ensuring people from disadvantaged backgrounds have equal opportunities to progress to succeed, and explore how post-18 education provision can produce the skills the economy needs and deliver value for money for graduates and taxpayers. This review is deliberately not focused on *higher* education, but all post-18 education provision. It will look further at how the post-18 education system can be 'joined up and supported by a funding system that works for students and taxpayers' (Department for Education, 2018). The review is constrained, however, in its scope to revise the student fees and finance arrangements. To ensure continuation of Conservative Government policy, all recommendations must maintain the principle that students should contribute to the cost of their studies while ensuring that payments are progressive and income contingent.

There is overlap between the terms of references of the English Post-18 Education and Funding Review and the Monash Commission. Both are framed in a way that seeks to overcome the 'silo thinking' of the past which entrenched a divide between academic and technical/vocational study on the one hand and further and higher education on the other. This is evident in the Monash Commission's remit to consider all 'Australian post-compulsory education system of vocational, higher and lifelong learning'. It can also be seen in the English funding review whose findings aim to 'help young people make effective choices between academic, technical and vocational routes after 18'. The policy review group in England will complete its work in 2019, but will release an interim report in later in 2018.

United States

Post compulsory education governance is typically located at the state level in the United States, generating a high level of diversity across the nation as a whole. California is home to the largest post compulsory education system in the world. The California Master Plan for Higher Education makes provision for the state's three-system public higher education plan, which includes the University of California (UC) system, the California State University system and the California

Community Colleges System. The UC system is governed by a semi-autonomous Board of Regents. The system also manages or co-manages three national laboratories for the US Department of Energy. Collectively, the colleges, institutions, and alumni of the University of California make it the most comprehensive and advanced postsecondary educational system in the world. Eighteen regents are appointed by the governor for 12-year terms. One member is a student appointed for a one-year term. There are also seven ex officio members—the governor, lieutenant governor, speaker of the State Assembly, State Superintendent of Public Instruction, president and vice president of the Alumni Associations of UC, and the UC president. The Academic Senate, made up of faculty members, is empowered by the Regents to set academic policies. In addition, the system-wide faculty chair and vice-chair sit on the Board of Regents as non-voting members. Robert Reich, former Secretary of Labor in the Clinton Administration has recently voiced significant concerns regarding the structure of post compulsory education in the US. '[T]he economy is already suffering from a large and growing cohort of workers who don't have the skills they need to continuously learn' 'We've got to recreate the vision of world class vocational technical education we had started in the 1950s and then we lost somewhere in the 1960s and '70s. Every young person should have access to a superb education, technical education, vocational education, that allows him or her to have mastery over a domain of knowledge that in turn gives that young person the ability to learn on the job forever after that point'. Asked where innovation in the system could start, Reich observed, 'It's going to happen last in the prestigious four year institutions, because they're so successful, quote unquote, that they have no incentive to change radically. It will happen first in community colleges. In fact, community colleges have been, for the last 50 years, the crown jewels in most education systems. I mean, it's not clear that most education systems know that, but the community colleges do extraordinary work' (All quotes drawn from Johnson 2018).

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