

# Canuck-Do Higher Education

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*Australia's higher education reforms aren't happening in a vacuum. Mark Rosenfeld reports about surprisingly similar movements in Canada's largest province.*

The past few years have been critical for tertiary education in Australia. The lengthy *Crossroads* review of higher education launched by the Commonwealth Government in 2002 has now culminated in the May 2003 Budget proposal for a sweeping reform of the Australian university system. Concern about the Coalition's past and future directions for higher education has also been clearly articulated by staff and students in the university community and by the Opposition parties. A few months before the launch of the government's reform package, for example, the Australian Senate was asked by one of its Australian Labor Party members to discuss, as an urgent matter of public importance:

The failure of the government to defend Australia's national system of higher education, as evidenced by:

- declining public funding for higher education,
- a deliberate policy of cost shifting to students,
- an inability to tackle problems of growing unmet demand,
- the continuing brain-drain of researchers out of Australia and the continuing decline in research infrastructure, particularly at regional universities, and
- a consequent decline in the standards and quality of higher education. (Australian Senate 2003)

Australian concerns about higher education and government policy would have resonance with a Canadian audience. Like Australia, Canadian higher education has experienced large-scale cuts in government funding, the deregulation of tuition fees in particular programs and general cost shifting to students, universities' inability to accommodate increased student demand, a faculty 'brain drain' and projected large-scale faculty shortages as well as critical shortages of graduates in a number of areas including nursing, medicine and teaching. Private-sector oriented research policies have been implemented and legislation changed to allow for private, for-profit universities. The result has been a general decline in higher education quality. Also like Australia, Canadian Government higher education policy has both eroded the once long-standing public and community focus of universities and promoted

as a substitute the concept of universities as business-oriented service providers differentiated from other businesses only by the product offered.

These directions have been particularly acute in Ontario, Canada's largest province with almost 40% of the country's population and higher education students. The Ontario Government's higher education initiatives make for an interesting comparison with the Australian Commonwealth Government's policy directions for a number of reasons. Provincial governments, the equivalent of the Australian state governments, are largely responsible for higher education. The Canadian Federal Government plays a much less direct role, providing funding for research and student financial assistance – which provincial governments also provide – as well as transfer payments which are only notionally directed to the support of higher education. Like Australia at the federal level, for most of the past decade Ontario has been governed by a neo-conservative political party intent on reshaping public sector institutions on the basis of private sector models. Similar public policy initiatives are not surprising, given the conscious borrowing of policy directions among governments. The higher education sector is also dominated by publicly-funded universities of various sizes, histories and scope of activity. In 2001-02, Ontario had 17 public universities with a full-time equivalent enrolment of 264,000 students, 11,600 academic staff and 16,800 non-academic general staff.

Nonetheless, Ontario has not gone completely 'down the road' of Australian higher education. Research is relatively better funded and not constrained by government mandated research-performance and assessment criteria. The sweeping amalgamation of higher education institutions that Australia saw under the Dawkins reforms did not take place. The international marketing of higher education is of a different nature and on a much smaller scale. And the provincial government has been less direct in attempting to shape internal university governance and industrial relations on campus. In comparison to the past and proposed reforms of Australia, the Ontario approach has essentially been more incremental.

## The Impetus for Change

In 1995, the Ontario Conservative Party was elected to provincial government promising a sweeping program of change known as the 'Common Sense Revolution'. Like the Howard Government and neo-conservative governments elsewhere, it promised to cut taxes, reduce the size of the public sector and government generally, promote the privatization of public services, reduce the influence of unions and operate on the basis of the 'business model'. Little, however, was said about the reform of higher education, except that students should be responsible for paying a greater portion of their education and that universities, like all public institutions, should be more efficient and accountable in their use of public funding. At the same time, the government reiterated the now common refrain that higher education was critical to growth and social prosperity in a knowledge-based economy. Nonetheless, it had no fully articulated or comprehensive view of higher education. It still does not.

The impetus to government-generated change in the university sector and elsewhere has been both financial and ideological. In order to fund tax reductions, reduce a large deficit inherited from the previous New Democratic Party (NDP) Government, and impose 'market discipline' on the public sector, large cuts were made to public funding. Government operating grants to universities were immediately reduced by 15% (or C\$280 million), which dramatically accelerated a trend of cutbacks begun in the last years of the NDP Government. The legacy of those dramatic cutbacks remain. Between 1995-96 and 2000-01, Ontario's operating support for universities declined by 17% when adjusted for inflation and enrolment growth (Mackenzie and Rosenfeld 2002; Council of Ontario Universities 2002). In comparison, the Commonwealth Government's operating funding to Australian universities per subsidised student declined by 9% in real terms over a similar period (NTEU 2003).

Ontario Government cutbacks in university funding have significantly exceeded cutbacks in any other province in Canada. Operating grants per capita and per student for universities in Ontario are the lowest of any province in the country. Ontario, Canada's richest province, now spends 41% less per person on university operating grants than Newfoundland, Canada's poorest province, and spending is 24% below the national average (Council of Ontario Universities 2002). In terms of the five-year relative change in provincial and Ameri-

can state funding for higher education operating expenses in Canada and the United States between 1996-97 and 2001-02, Ontario ranks 56th out of the 60 provinces and states.

Funding for higher education in Ontario and other provinces has also been strained by transfer payment cutbacks initiated by the centrist Federal Liberal Government elected in 1993. Determining changes in the exact share of federal cash transfers for provincial tertiary education is difficult due to the creation of a block transfer fund for higher education, health and social assistance in 1996. Nonetheless, it can be estimated that in 2002, total cash transfers for provincial higher education declined by 12% compared to a decade earlier, when adjusted for inflation and population growth. This represents the lowest level of federal government cash investment in higher education in the past three decades (Canadian Association of University Teachers 2002). And while provincial governments were not compelled to spend these transfers on their notional designation, federal government transfer reductions provided provincial governments with a convenient rationale to reduce their own funding of universities.

## The Reform 'Template'

The Ontario Government accompanied its funding reductions with initiatives to reconceptualise the funding and orientation of universities, the relationship between the universities and colleges of applied arts and technology (similar to the Australian Technical and Further Education institutions), and the role of the private sector in the provision of higher education teaching and research.

Like the Howard Government, the Ontario Conservative Government launched its own Crossroads-like consultation process in 1996 and set up an advisory panel to address the above concerns and provide legitimacy to the government's preferred directions for higher education.

The 1996 *Report of the Advisory Panel on the Future Directions for Postsecondary*

*Education* began with the premise that the basic structure of Ontario's tertiary education sector was sound and that there was 'no need to impose a grand new design'. At the same time, it called for significant change in the sector to deal with pressures related to funding, quality and accessibility and the capacity of universities to deliver a broad range of programs and research needed for the future. In general, the Report spoke of the need for less government-regulation of higher education, more accountability exercised by university gov-

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erning bodies, greater differentiation among and between universities and colleges, increased emphasis on assessing the performance of institutions and, most importantly, greater financial resources for cash-starved institutions.

Specifically, its key recommendations called for the provincial government to end its funding cutbacks and move towards funding higher education at a level comparable to the average of the other Canadian provinces. Universities would be allowed to set tuition fees for programs of study at whatever level they deemed appropriate on condition that 30% of a tuition increase beyond a government-defined limit be directed to student financial assistance. The Report's student assistance recommendations also advocated the creation of an income-contingent loan repayment system, somewhat along the lines of the Australian Higher Education Contribution Scheme (HECS), and the provision of needs-based grants.

Greater cooperation and linkages between universities and colleges were envisioned, including the future possibility of colleges being able to transform to polytechnic degree-granting status and later to a university. The Report recommended changing provincial legislation to permit privately-financed not-for-profit universities to be established in Ontario as long as they were governed by strict conditions, standards and processes of evaluation. Greater funding for university research infrastructure and a comprehensive research policy were also recommended along with a special fund to promote the hiring and retention of university faculty. Finally, the Report urged that university governing boards ensure that a high proportion of faculty salary increases be merit-based and awarded on the basis of teaching and research excellence and that processes were in place to ensure the effective evaluation of faculty performance (Advisory Panel on Future Directions for Postsecondary Education 1996).

The Advisory Panel's Report was somewhat less sweeping in its recommendations than the government might have preferred but did provide a roadmap for government policy and legislative initiatives in higher education which was followed in many of the key areas. A notable exception was the Panel's call for the government to raise university funding to the national average, the creation of a dedicated faculty renewal fund and the development of a comprehensive research policy. Regarding other recommendations, the government provided its own interpretation of what was intended.

### **'Sharing' the Cost of Higher Education**

One of the most dramatic changes implemented by the government was the increase in student tuition fees. It justified large tuition increases by emphasizing the private returns to students from higher education while effectively underplaying the public benefits of an educated population. All university students in Ontario had long-paid tuition fees but not

at the level that was to be soon implemented by the provincial government. There is also no Higher Education Contribution Scheme (HECS) in place nor provisions to create special spaces for full-fee paying students. The consequences of the Ontario Government's tuition fee initiatives provide an interesting comparison in light of Australian trends in student contributions to university education and especially in view of the Howard Government's recently announced intention to partially deregulate tuition fees to 30% above the government-set benchmark and allow the number of full fee-paying undergraduate domestic students to double to 50%.

Between 1995 and 2002-03, the Ontario Government has permitted average regulated university tuition fees to increase by more than 45% or about C\$1,300 when adjusted for inflation. The average regulated tuition fee for Ontario undergraduate arts and science for the 2002-03 academic year was C\$4,106.

In 1997, the government also allowed the full deregulation of fees for postgraduate programs and certain professional programs, including law, medicine, and dentistry. Tuition fees, particularly in professional programs, skyrocketed. Tuition for medicine, dentistry and law programs in Ontario now far exceed tuition for comparable programs in other provinces. Medical tuition fees at the University of Toronto, for example, have more than tripled in real terms since government deregulation and were C\$15,435 in 2002-03.

Tuition fees as a proportion of university revenue are now at historically high levels. In fact, the government allowed student tuition as a proportion of university revenue to go beyond the 35% level it had previously deemed acceptable in its 1999 election platform.

In 2001-02, university income from tuition and other student fees represented 41% of university revenue; 52% came from government operating grants. The proportion of university revenue represented by tuition is even higher at some individual universities. In comparison, in 1995-96, tuition represented 29% of university revenue and government grants 67% (Council of Finance Officers - Universities of Ontario Council on University Planning and Analysis 2002). Australia has followed a similar pattern concerning cost shifting onto students. The average Australian student's contribution to the cost of their government-subsidized university place has increased from almost 20% in 1996 to 34.5% five years later (NTEU 2003).

Large tuition fee increases and tuition deregulation have had important implications for the accessibility and affordability of higher education in Ontario. Average student debt, among those students who borrow and graduate from four-year university programs, is approximately \$21,000 and has more than doubled since the Conservative Government came to power (Canadian Millennium Scholarship Foundation 2002; Investing in Student Task Force 2001). Of particular concern

has been the impact of higher tuition and debt loads on the accessibility of those from low and modest-income families as well as on traditionally disadvantaged groups such as Aboriginal Canadians and the disabled. Already, the gap between Canadian university participation rates for 18 to 24 year olds from lower and higher socio-economic backgrounds has widened over the past decade. Those from the wealthiest quarter of the population are 2.5 times more likely to attend university than those from the poorest quarter. The share of after-tax family income required to pay for tuition and fees has grown dramatically for the lowest income households - from 14% in 1990-91 to 23% in 1998-99 - and only marginally for highest income families (CAUT 2002, Statistics Canada 2000).

Tuition deregulation has also affected the socio-economic composition of students in particular professional programs where fees have been deregulated. A recent article in the *Canadian Medical Association Journal* observed that since the deregulation of medical fees in Ontario, the proportion of students reporting family annual incomes of less than \$40,000 declined from 23% to 15%. The study concluded that 'Ontario medical students report a large increase in expected debt on graduation, an increased consideration of finances in deciding what or where to practice, and increasing financial stress'. No only are students from lower income families being effectively excluded from medical study but the high cost of tuition is dissuading students from entering fields of medicine that are of important public value but provide less financial returns (Kwong et al 2002).

The problem of high tuition has been compounded by the inadequacies of the student financial assistance system. While Australia has chosen the route of dramatically increasing financial liabilities of students through the HECS system and other income-contingent arrangements, Ontario has effectively forced students to take on more debt through public and private loans whose repayment provisions are not income-sensitive. Despite attempts to create an income-contingent loan repayment system, the government found the costs involved too daunting while Canadian banks have been less than willing to cooperate.

The main provincial government student assistance program was shifted from a grant to a loan-based system in the early 1990s, consequently expanding student debt load. The Conservative Government then proceeded to make access to the program more restrictive and costly to students in terms of future debt repayment. The results are telling. The Ontario Government's expenditure on Ontario Student Loans dropped in real dollars by 42% (or \$330 million) between 1997-98 and 2001-02. The number of student loan recipients in Ontario dropped by 27% or 55,000 during this period (Rosenfeld and Kaufman 2003).

Essentially, the government has altered the direction of student assistance policy, placing greater emphasis on matched

private sector funding, increased university spending on student assistance and public funding for discipline-specific merit and needs-based scholarships. The government's flagship program, the institutionally-based Ontario Student Opportunity Trust Fund (OSOTF), required universities and colleges to solicit private sector donations which were matched by government funds dedicated to student assistance. The ability of institutions to raise money for OSOTF was highly inequitable and funds raised by each institution did not directly reflect its share of student loan recipients. Large, well-connected universities received corporate and government matched-funds far exceeding student assistance demand while less well-connected institutions attracted funding much below demand. And in a novel twist, the government created a program where student financial assistance was funded by students themselves. Universities are required to direct 30% of tuition fee increases to student assistance.

The Federal Government also shifted its student financial assistance initiatives, adding to the existing loans-based program a large student grant program, known as the Canadian Millennium Scholarship Fund, and financial incentives to encourage families to save for their children's education. Provisions were made to ease debt-repayment for graduates in financial difficulty which were also adopted by the Ontario government. Large inequities and inadequacies still remain, however. The Millennium Scholarship fund provides assistance to only one out of every 14 tertiary education students. And the savings provisions for families disproportionately benefit high income households while doing little to improve access to students from lower-income backgrounds (Milligan 2002).

## Shifting the Direction of Higher Education

As in Australia, cost shifting in Canada has been accompanied by government policy and program initiatives designed to change the orientation of universities. The government has used the levers of targeted funding to steer the direction of university education towards a greater emphasis on vocational training and away from the concept of higher education providing students with the ability to think critically and acquire broad-based knowledge which has both social and economic value. The intention has been to align universities more closely with the government's economic development agenda and the private sector.

Like the role played by the Australian Vice-Chancellors' Committee, the abnegation of responsibility by the Council of Ontario Universities (COU), representing Ontario university presidents, and by university senior management to vigorously defend the public-interest and broader conception of higher education also became an important factor in permitting the government to pursue its policy directions for universities.



Intimidated by the government, the COU offered only expressions of 'concern' when the government reduced operating grant support and acquiesced in shifting a greater share of the funding burden onto students which it saw as the only alternative. Preferring to work behind the scenes on the assumption that this was the best way to gain government support, the university presidents were outmaneuvered by a much more determined and astute Conservative Government. Whether willingly or not, the COU and university presidents were led increasingly to embrace the government's conception of higher education — with telling results.

Faculties of arts have shrunk in size while professional programs with 'market value' especially in the business and information technology fields are growing. 'Accountability' measures and performance-based funding programs have been established ostensibly to make universities more accountable to students and the public. A performance indicator fund distributes a relatively small amount of money to universities on the basis of student graduation and employment rates. In reality, these measures reflect the Ontario Government's narrow conception of universities. They are also statistically unsound as the differences in outcomes between universities may be very small but can result in one institution receiving money from the fund and an almost equally well-performing university receiving nothing. Moreover, these measures assume that universities have full-control over the completion rates and employment success of their students. Successful completion rates, among other influences, have been shaped by the type and amount of resources a university can devote to a student's education which in turn have been affected by government funding policies. And successful employment rates have been influenced by the state of the economy.

All new funding, over and above the existing operating grants, is now tied to particular government policy initiatives in academic programs, research as well as student assistance. This direction has eroded university autonomy. It has also affected the ability of universities to plan academic programs on a rational basis when they feel compelled to shift internal university resources in order to leverage funding from particular government initiatives. To cite one example, in 1998 the government invested C\$150 million on a special funding initiative designed to double university enrolments in computer science and high demand engineering programs. The program was established in response to intensive lobbying by industry and a perceived shortage of skilled high-tech professionals. When the high-tech bubble burst a few years later, accompanied by wide-spread layoffs in the sector, the wisdom of this initiative became questionable. University funding tied closely to industry and business interests and short-term labour market trends has had the effect of distorting the direction of university education.

This has particularly been the case with university research. Both at the provincial and federal level, funding for research conducted in universities has expanded in recognition of the critical role universities play in innovation and economic development. After a decline in government investment in university R&D in the first part of the 1990s, the federal government increased its university research funding by more than 50% between 1998 and 2001. The Australian federal government's relative investment in university R&D fell during the same period (Association of Universities and Colleges of Canada 2002; NTEU 2002). More funding was provided to the federal granting councils responsible for funding research in the health and natural sciences, engineering, humanities and social sciences. The federal government created a C\$900 million fund to support the establishment of 2000 research chairs in universities across the country, a program much larger in scope than its Australian equivalent, the Federation Fellowships. Both the Ontario and federal governments also created special funds to support the expansion of university research infrastructure.

The nature of federal and provincial research spending has been skewed, however. Like the directions promoted by the Australian Research Council and initiatives such as *Backing Australia's Ability*, emphasis has been placed on supporting research in the high tech and health sciences fields. Academic staff in the social sciences and humanities account for more than half of all faculty in Canadian universities but in 2001 received only 11% of federal research funding (Social Science and Humanities Research Council 2002). The distribution of federal and Ontario government research program funding has also inequitably benefited some regions of the province and the country over others as well as the larger universities within those regions. In the case of the research chair program, almost two-thirds of chairs were allocated to only ten universities in the first year (Canadian Association of University Teachers 2002). Women have received disproportionately fewer research chair positions than their research involvement and presence in various disciplines would suggest. And despite the creation of dedicated research funds, cuts to government operating grants which underpin the research efforts of university staff have eroded research capacity, especially in the social sciences and humanities.

Universities increasingly have had to become involved in commercial research ventures as a way of attracting more funding from both industry and government. A number of government-initiated key research programs for universities launched over the past decade are premised on the participation and investment of the private sector. Government policy has therefore steered university researchers to projects that have a commercial application and away from conducting basic research which has been critical to scientific discovery.

Closer ties between universities and private industry have also posed threats to the integrity and quality of university research. The underlying conflicts between corporate interests and research ethics have been highlighted at the University of Toronto. In a case that received international attention, the corporate co-sponsor of a pharmaceutical research project threatened legal action against the study's principal investigator, Dr Nancy Olivieri, when she stated her intention to published findings which questioned the safety of the new drug treatment being developed. The company also had her removed as the principal investigator of the research project. The university teaching hospital refused to provide her with any assistance and only agreed to an investigation of the case as a result of intense pressure by hospital staff, the university and national faculty associations and adverse publicity.

## Responding to Demand

Government policy orientations for universities in Canada also need to be seen in the context of the enormous growth in student demand. Demographic factors such as the baby boom 'echo' generation have increased the population of 18 to 24 year olds, and the percentage of young people choosing to pursue post secondary education has increased steadily, despite the debt burdens students face. By 2005-06, university enrolment in Ontario is expected to increase by at least 30% or 65,000 additional students compared to 2000-01. Government changes to the secondary school curriculum, including the elimination of the fifth year of study, have meant the universities are now faced with accommodating a surge in demand caused by the simultaneous graduation of two classes of high school students. This will ripple through the university system over the next half decade. All these factors mean that there will be no return to 'normal' enrolment patterns and by 2015 it is expected that there will be more than 100,000 additional students at Ontario universities compared to 2001. Across Canada, enrolment is expected to increase by 30% over the next decade.

The boom in student demand has placed unprecedented pressure for space and resources on institutions which have been continually underfunded for the last decade. The government has stated that there will be a place in the tertiary education system for every willing and qualified student, but universities are still unprepared for the influx. While increasing university funding by C\$350 million for university enrol-

ment growth between 2001-02 and 2003-04, the government consistently has underestimated student demand. Like Australia, unmet student demand, particularly in popular programs of study, will likely continue to grow. Applicants who would have been considered 'qualified' previously are being squeezed out due to escalating entrance requirements, a mechanism used by universities faced by conditions of limited 'supply'.

Planning for this increase has also taken on an ad hoc dimension and reflects the government's market-orientation and ideological preferences. Through its capital funding program, known as 'SuperBuild', it has provided universities and colleges with a more than as C\$1 billion for new capital projects to accommodate anticipated student demand. The premise of SuperBuild is that universities must obtain private sector and other non-governmental funding for approved projects. If this private and other funding fails to materialize, SuperBuild support will be withdrawn. Some university projects have had difficulty attracting or retaining private sector investment. A large proportion of the funding under the SuperBuild program has been directed to projects in the applied technology, health sciences and general sciences, even though students in liberal arts programs constitute the largest area of university program demand. In each of the last ten years, more than 40% of applicants have sought

access to programs in the arts. Funding for maintaining the existing university infrastructure has also been limited in comparison. The government's own data indicate \$1.2 billion in deferred university maintenance costs by 2005-06 (Investing in Student Task Force 2001).

For both ideological and financial reasons, and in recognition that universities themselves are unlikely to

accommodate all those who want to study at a university, the government has also turned to other higher education providers to meet student demand. In 2001, it brought in legislation to allow private for-profit universities to operate in Ontario, subject to scrutiny by a quality assessment agency responsible for evaluating degree-granting proposals from private universities, colleges as well as out-of-province and foreign universities. Students attending private institutions are able to access the publicly-funded student assistance system. Publicly-funded colleges are also now allowed to grant 'applied degrees' in specific areas as is the case with the Australian TAFEs. All these changes have been justified by the claim that students are being offered increased 'choice' and

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that more market competition will be good for the university system. In effect, the government is engineering incrementally the integration of university and non-university higher education system. While removing barriers for students wishing to transfer to the university or college system is a positive development, the government's promotion of greater university and college integration is not necessarily for the best motives or in the long-term interests of an excellent higher education system in the province. A major concern is that new institutions, programs and degrees-offerings, many of which will cost the government less than those of the public-university system, will result in the reallocation of existing university funding to these alternatives and a reduction in further investment in public universities. In the process, the 'currency' of a degree could be devalued.

One of the government's most glaring inadequacies in responding to growing student demand has been in the area of provisions for hiring academic staff. Universities in Ontario, and Canada generally, are faced with a severe and growing shortage of academic and general staff. The number of full-time, tenured faculty in Ontario has declined by almost 1,000 or 8% over the past decade. Before the end of the decade, close to one third of university faculty will retire which will happen at the same time as unprecedented enrolment growth. While less than 20% of Australian academic staff are aged 55 years or older, the comparable figure for Canada is almost 35%. University-commissioned studies have found that between 11,000 and 13,000 new and additional faculty will need to be hired to keep pace with enrolment growth, replace the large number of faculty who will be retiring, and reduce the student to academic staff ratio to the national average. Ontario Government data indicate that by 2005-06 an additional 4,000 faculty will be hired, clearly a significant shortfall if projected faculty hiring needs are to be reached by the end of the decade. At the national level, projections show a need for at least 20,000 new academic staff (Rosenfeld and Kaufman 2003; Association of Universities and Colleges of Canada 2002). Most likely universities will increasingly rely on casual academic staff to meet enrolment pressures, although there is currently no comprehensive statistical measurement of trends in casual academic staff employment in Canada.

The current and projected future loss of staff has major implications for the quality of education students receive and the research capacity of Ontario universities. Classes are overcrowded and professors have many more students to advise, which results in less contact with individual students. Already Ontario universities have the highest student to academic staff ratio in the country, at 23 to 1. The comparable figure for Australia is 20 to 1 (NTEU 2002). The student to staff ratio in the US Great Lakes state universities is 30% better than Ontario's and peer jurisdictions in general have a ratio that is 35% more favourable than the province's universities. The gov-

ernment has not provided the resources needed for more faculty to ensure the quality of university teaching and research, although it has promised to set-up an unclearly-defined quality assurance fund if re-elected. There are concerns about increasing faculty workload and the loss of faculty to other jurisdictions. A 10% reduction in full-time equivalent general non-academic staff in the past 10 years has also strained university services and education quality for students.

## Steering with a Difference

In shifting the direction of higher education and responding to demand, the Ontario government has in certain respects departed from the Australian experience. Tuition fees for most undergraduate programs have increased substantially but remain regulated. Despite pressures from some universities for tuition fee deregulation for all undergraduate programs, the Ontario government has yet to allow tuition deregulation to the extent the Howard government now intends. Public pressure has played a role here. Opinion polls in Ontario consistently have shown that 75% of Ontario voters are concerned that their children will be unable to attend a publicly funded university in the province. More than half of those surveyed noted higher tuition fees as their main concern, including a large proportion of the government's own supporters (Feedback Research 2002; 2003).

Unlike Australia, neither the government nor universities have to date turned to the aggressive promotion of education to international students as a way of compensating for lost government revenue. International students at Canadian universities comprise only 5% of the undergraduate student population compared to 20% in Australia. And the focus of international education has tended to be on international development rather than tailoring programs to expand the commercial share of the international market (Association of Universities and Colleges of Canada 2002).

Differences between Ontario and Australia are particularly notable concerning issues relating to internal university governance and labour relations. Unlike the Howard Government, the Ontario Conservative Government has yet to intervene directly in internal university governance affairs. It has not unilaterally undertaken legislative initiatives or created protocols changing the size, composition and orientation of governing boards of all existing universities, as is the case with the Howard Government's 2003 *Backing Australia's Future* reform package. Ontario universities have been left to reshape governing boards on their own and have indeed become more corporate and 'business-like'.

Nor has the Conservative government been as heavy-handed in internal university labour relations. Changes to Ontario labour relations legislation have not targeted university staff unions, at least not directly. Unions in the university sector

have been affected by general labour law reforms. These include provisions which have created more hurdles to union certification and fewer to decertification, allowed management to force a union membership vote on an employer's 'final offer' during enterprise bargaining or industrial action and removed the previous government's ban on strikebreaking. But there is nothing equivalent to Howard Government's 1999-2002 Workplace Reform Program or its *Crossroads* initiative which makes government funding increases for student places, worth A\$400 million, conditional on a number of workplace changes including university management implementing a performance-based salary system and requiring academic staff to sign individual employment contracts (Australian Workplace Agreements) to undermine collective agreements. There has been no ban on the legislative right of university staff to strike or take industrial action, as the Government now intends. And there has been no legislation proposed to penalize universities that collect fees on behalf of student unions, making membership in a student union entirely 'voluntary'.

Universities have comparatively been allowed to manage on their own relations with staff and students. After three decades of operation, the Canadian equivalent of enterprise bargaining is well entrenched in the university sector compared to Australia's relatively newer experience. At the same time, the growing incidence of merit pay-schemes, market differentials in salaries and other individual arrangements made between university administrators and academic staff threaten to undermine enterprise agreement regulation of working conditions for academic staff and push labour relations further along the direction that the government prefers.

The absence of government heavy-handed initiatives in Ontario also would not appear to be underpinned by greater government respect for university autonomy or staff unions. For much of its mandate, the Conservative Government has been preoccupied with a radical overhaul of the elementary and secondary education system and battles with teachers' unions and community-based boards of education. In elementary and secondary education sector, it has been highly interventionist in its attempts to undermine the influence of teachers' unions and enterprise agreements. Those battles have largely diverted the government's attention from higher education concerns.

Pressures faced by the Ontario and Australian universities system, however, are very similar. Government direction has also followed a similar path in many respects while the differences have been more a matter of degree and emphasis. It may only be the different constellation of historical and political factors that has so far prevented Ontario from more fully replicating the Australian experience. And unless a convincing popular alternative to the privatisation and marketisation of higher education is embraced which emphasizes its public role and benefits, it may only be a matter of time. **A**

## Acknowledgements

Some of the Ontario higher education analysis for this article has been drawn from a recent article by Mark Rosenfeld and Amy Dickieson Kaufman (2003), *The State of Higher Education in Ontario: Bursting at the Seams*. I would also like to thank University of Toronto Professor of Education Sandra Acker and staff at Ontario Confederation of University Faculty Associations for their very helpful comments.

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