

# “Workshop on Funding for Higher Education: A Comparative Analysis of Australia, India, Thailand, New Zealand and Way Forward for Malaysia”

*Reported by Ahmad Faiz Abdul Latip*

The National Higher Education Research Institute (IPPTN) in collaboration with the Ministry of Higher Education (MoHE) Malaysia coordinated a workshop on “Funding for Higher Education: A Comparative Analysis of Australia, India, Thailand, New Zealand and Way Forward for Malaysia” on 29th - 30th of May 2007 which took place at Parkroyal Hotel, Kuala Lumpur. The programme attracted more than 20 participants from academics and researchers from local public and private universities, as well as policy makers from the Malaysian government’s fund arms for higher education students, National Higher Education Fund Corporation (PTPTN).

The programme was aimed at gathering input on the financing systems for higher education students in four different countries, namely Australia, India, Thailand and New Zealand through comparison with the system currently applied in Malaysia. There were five speakers from each country; Professor Bruce Chapman of the Australian National University (ANU), Professor Jandhyala B. G. Tilak of the National University of Educational Planning and Administration (NUEPA), India, Dr. Suchittra Chamnivickron of the National Institute of Development Administration (NIDA), Thailand, Mr. Norman LaRocque, a public policy accountant and an advisor to the Education Forum (EFNZ), New Zealand and Dr. Shuki Osman, a lecturer at the School of Educational Studies, Universiti Sains Malaysia (USM).

The Programme on day one was kicked off by Professor Bruce Chapman, professor of Economics at the Research School of Social Sciences, ANU, who offered an analysis of the Higher Education Contribution Scheme (HECS) in Australia. It is worth noting that HECS has been operationally successful and has not been associated with any deleterious outcomes with respect to the socio-economic composition of higher education students. The programme continued with Professor Jandhyala B. G. Tilak, professor of Educational Finance at the NUEPA, who presented an overview of the financing higher education problems in India wherein the Indian government cut short public budgets for education. Professor Tilak later touched on the strengths and weaknesses of the present student loan scheme as a method of financing higher education and drew lessons for India and other countries in this regard.

A case study of higher education financing system in Thailand was elaborated by Dr. Suchittra Chamnivickron,

Director at the School of Development Economics, NIDA. Dr. Suchittra recalled why the old system did not work out which had prompted the Thai Government to shift to the modified ICL-based scheme. Moving on, Mr. Norman LaRocque’s described the evolution of tertiary education policy in New Zealand over the last two decades and drew some lessons from the country’s experience. Mr. LaRocque also concentrated on the evolution of the policy framework for the student loan scheme. Finally, Dr. Shuki Osman presented his research group’s work on profiling borrowers of PTPTN. The group utilised PTPTN borrower’s database to construct, through a detailed analysis, a model which can be used to predict the probability of future borrowers to default on student loan repayment with certain socio-economic backgrounds and status.

On day two, a briefing on PTPTN was delivered by Mr. Md. Yunus Abd. Ghani, the CEO of the corporation. He set out the challenges that PTPTN is likely to be facing in the coming years especially with regard to the performance in the loan repayment collection as well as the issue of delivery system. Some future plans were also outlined. Before the session was wrapped up, a roundtable discussion chaired by Associate Professor Dr. Mohd. Ridzuan Nordin came to a number of suggestions to be forwarded to the MoHE. Two interesting points made are the suggestion to apply the Islamic finance systems into financing student loan scheme in Malaysia and the critical role of government in securing the success of the scheme.



*Participants paying attention to the speaker (top).  
Some of the participants & presenters at the workshop (bottom)*

