
Trying to De-mystify Public Policy for Higher Education

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Speech

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Thank you for the opportunity to address you tonight on the subject of higher education and its future in Australia.

In inviting I to speak Deryck Schreuder asked me to reflect upon the university environment today as opposed to when I left it for politics in 1986. More particularly he asked me to address the question of whether there are "campus myths" surrounding the making and reform of public policy as it impacts on universities and academics.

I need to say that what follows is a set of observations about these matters rather than the findings of a properly conducted research project.

I will look at two sets of issues – those relating to the role and purpose of universities and those relating to the position of Australian Universities today.

My focus will be very much on the 'politics' of these things. In saying this I want to emphasise that ideas about universities and their role and purpose are part of the political mix, alongside other factors such as market forces, economic interests and prevailing public policy enthusiasms.

I have been around long enough to witness the great expansion of higher education and the creation of new universities in the 1970s, the development of the unified national system and a degree of user pays under Labor, and the beginnings of de-regulation and increased private involvement in more recent times.

It has been a period in which the Commonwealth has emerged as the bureaucratic suprema, more students have entered the system from both here and overseas, and internal management changes have been dramatic.

My political instincts tell me that for universities to maintain and improve their position in today's political environment they will need to be strong but sensible in respect of their core values, assertive and creative about what, how and where they teach and research, and open to form partnerships with their state governments. One thing I did learn from going into politics is that universities cannot take for granted their position and status in the public mind and the political process. Even though those of us in the sector are convinced of the merits of what we do, we should not assume this is the case in the

broader community or in the corridors of power.

Universities as Core Institutions

Let me begin, however, by making a point about how one should think about and talk about universities. We should think and talk about our universities as institutions in the same way as we think and talk about, for example, our parliaments and our courts. Just as our parliament is a powerful symbol of representative democracy and our courts are a powerful symbol of the rule of law our universities are symbolic of intellectual freedom and critical capacities generally.

Their very existence is part and parcel of what constitutes a free society. As Professor Simon Marginson put it in his keynote address to the 5th Annual Conference on University Governance; Universities are "self-reproducing knowledge-forming organisations"¹ requiring communicative association and intellectual freedom. This is what makes them different -and important. To quote Marginson again:

In forming knowledge we remember what we know, and we think of something new. This 'something new', which is the thing that scholars and researchers seek, emerges in a zone vectored by criticism and imagining. In the absence of this zone, universities lose their driving force and their ultimate rationale².

I would argue that this "something new" ought to be seen not just in the context of research but also in relation to teaching. Not only should we ensure our students are aware of what it is that is received knowledge today, we would wish they have the critical capacity to think and to explore alternatives.

All too often I get the impression that the "something new" in the minds of an academic is simply the next research paper. To my mind it should also involve the teaching process itself. It is reassuring today to see a much more systematic effort on the part of the universities to ensure that the knowledge we now have about teaching is used to enrich and enliven the student experience.

Indeed we should treat all of our work as the search for the "something new", be it in the tutorial, the lecture room or the research laboratory. It is an aim and a value that we should take with us in all we do rather than be treated as a separate component only identified with some activities, for example research.

Having made these points about knowledge production it is important to note that it's not enough as a basis for the public policy debate. It is the starting point and it provides the context, but it does not complete the picture. Universities are part of the community and subject to its pressures and its expectations. In many ways this is a very positive force in that it provides raw material for the knowledge production process referred to by Marginson. For example the community today will be expecting our universities to be

¹ Simon Marginson, "In a post post-public university era", *Campus Review*, 8: 01.11-07.11.06, pp.8-9

² *Ibid*

researching the implications of issues like global terrorism, global warming, the rise of China and technological change.

The community will also be keen to ensure that professional education is relevant and up-to-date so that our engineers, doctors, nurses, teachers, public servants and managers can deal with the issues they will confront in the workplace. Indeed it is clearly the case that by seeking to educate rather than just train such people our community will be better off. However, so too will the universities because they are forced to ground their work by bringing "theory" into contact with "practice".

I trust that the point I am trying to make here is clear. We should never forget the core purpose of a university but not assume that this absolves us of the responsibility to respond to the needs of the community and the awkward questions that result.

Universities need to be self-critical as well as centres of criticism. Indeed, how often is it that academics use the principle of academic freedom simply to defend "systems" of thought and established methodologies? How often do academics simply take up defensive positions when confronted with contrary evidence produced by social, economic or political practice? In the social sciences this goes to the heart of the distinction between 'idealism' and 'realism' and the ongoing political battle between 'utopia' and 'reality'.

It is often the messy and complicated nature of the natural and social worlds that prompt intellectual progress. That's why we should ensure we are always connected to it and in the case of the social sciences engaged by it, not as its agents but as partners for human progress.

This is not just good in itself it is also good politics. Universities need to be given space for free inquiry and them in their turn need to provide space for pure inquiry in the sciences and humanities. In any society, even those with traditions of freedom, there will be forces working in an opposite direction and sometimes universities will need to take a stand on behalf of academic freedom. Much better to confront these forces with a record of community support and engagement rather than one of avoidance and isolation.

What this all means is that we should be strong but sensible in respect of our core values. Universities should defend academic freedom and provide space for the most basic of research inquiry. However, academic freedom is not just a prop to existing knowledge and existing intellectual practices. In order to be critical universities also need to be self-critical and open to scrutiny. They also need to be engaged and willing to assist the community find solutions to the complex problems they face. Indeed it is often through this connection with the community that new thinking emerges. I'm tempted to say it's a case of idealism of purpose and realism of means!

Australia's Universities

In Australia's case it can be demonstrated that our universities have been performing strongly.

Over recent decades we have seen greater responsiveness to the labour market and more collaboration with industry, not just in course development but also research. Efforts are being made to link our universities to areas of need, such as regional and indigenous Australia –and all in the context of funding pressures and higher student to staff ratios which rose from 15.6 in 1996 to 20.7 in 2007. ³

Our universities have also seen significant contributors to Australia's export effort. Indeed education overall has become Australia's fourth largest export, behind iron ore, tourism and coal. According to the OECD Australia enrolls ten percent of the world's cross-border students and is the fourth largest exporter of education after the USA, the UK and Germany. ⁴

In making a case for public support these are very powerful points. Universities are more responsive and they have been responding.

The changes within have also been extensive and significant as universities have experienced reform similar to other parts of the public sector –a stronger market focus, performance management and corporatisation generally.

Many of these changes of course have been imposed on universities through financial sticks and carrots or straight out bureaucratic direction. The micro controls from above are extensive and intrusive. As Glyn Davis put it in his recently delivered address to the National Press Club on behalf of the Group of Eight:

...microeconomic reform left much of the campus untouched. Governments keen to create markets in gas, electricity, transport, retail banking, and employment services nonetheless resisted applying the logic of deregulation to the university sector...

As a result, Australian public sector higher education is now made up of minor variations on a simple model: all offer a wide range of fields of study, all offer all qualifications from undergraduate through to PhD, all aspire to research activity, and almost all are multi-campus. ⁵

This leaves us with two crucial public policy questions: Our universities have been improving in a range of ways but are they adequate to the needs of the day, which are increasingly being driven by global competition?

Is the existing framework for funding and controlling our universities sufficiently flexible to allow them to respond to today's challenges?

Global Competition and the Knowledge Economy

³ Australia's Universities Building our Future in the World (ALP White Paper, July 2006), p.30

⁴ Simon Marginson, "Tiers for Fears? Diversity and Specialisation: From Dawkins to Nelson", Institute of Advanced Studies, The University of Western Australia and John Curtin Institute of Public Policy, Curtin University, 26 May 2005.

⁵ Glyn Davis, Seizing the Opportunity: A Public Policy Framework of Balanced Incentives for Higher Education and University Research, National Press Club Address, 6 June 2007

In respect of global competition we are all aware of the potential of 'knowledge' as a factor of production. We should also be aware of the uneven capture of such knowledge throughout the world. Not only is the labour market generally more international, the marketplace in knowledge is even more so. People – and the ideas they hold – are increasingly footloose.

In Australia's case this has meant a number of things. Firstly, that our highly successful export industry is experiencing increasing competition as traditional source countries in our region expand their capacity to deliver high quality education and our traditional rivals in Europe and North America improve their performance.

Secondly, that many of our best and brightest leave Australia each year. Indeed it has been estimated that some 74,000 highly qualified professionals and managers leave permanently every year.⁶ This pressure is linked to the first in that we draw many of our skilled migrants from the pool of overseas students studying in Australia. It is a pool we are going to need to meet our appetite for progress.

Thirdly, there is the matter of international rankings and the capacity of our universities to do well. To quote Davis again:

With no Australian universities ranked in the Shanghai Jiao Tong top 50 index, and only two in the top 100, international students seeking high- prestige research institutions may go elsewhere. The Australian public sector cannot offer institutions specialised by discipline. Our teaching possibilities are limited by the requirement, imposed through the funding system, to keep student costs low.⁷ Fourthly, that it is not enough to simply create knowledge. For it to be a contributor to economic progress knowledge has to be incorporated into the production of goods and services. The attitudes taken towards knowledge and the capacities to use knowledge in both the private and public sectors will be crucial.

A recent study from the OECD, Cities and Regions in the New Learning Economy (2001) has noted that what really matters is not just individual learning but organisational learning – innovation and exchange of information within and between firms, universities, research institutes, economic development agencies etc. In other words what is going to matter is the extent and quality of the relationships between the universities and the private and public sectors in the creation of the right attitudes and relevant capacities.⁸

Now these are issues that should – and I'm sure will – capture the attention of public policy makers in Australia. The signals coming from both the major political parties would indicate that their importance has been recorded. It is certainly clear that the

⁶ Ibid

⁷ Ibid

⁸ Reference to this Report is from Department of Education Services (Higher Education in Western Australia and the Role of the State Government (Peter Noonan Consulting / Phillips KPA, May 2006)

demands of global competition can only be met with a strong emphasis on quality – in both teaching and research.

De-regulating the Uniform National System

This leads us to the next question: Is it possible to create the level of quality with the current system of funding and control? We also need to ask whether the universities themselves are focussed enough on these questions as part of their own considerations.

I feel confident about answering the second of these questions. There is currently a strong degree of interest in the sector to improve performance. There are, however, different views on how that might be achieved depending on whether we are talking from within or without the Group of Eight. Indeed we now have a market place where some universities cannot meet the demand for places whilst others are battling to fill their places. This is a good indication of the sorts of forces that are at work today as potential students, both here and overseas, look for the option that best suits their needs in today's labour market.

These forces come on top of what Simon Marginson has called a "natural vertical polarization" between research – strong universities at the top and volume maximising institutions, focussed predominantly on teaching, below. "In every national system", he notes, "there can only be a limited number of research universities with elite status, characterised by high student selectivity, degrees constituting premium private goods and resources to sustain globally competitive research across the board".⁹

It is clear that the argument for significant de-regulation is gathering momentum not only on the basis of the case for more diversity overall but also on the need for increased vertical polarisation within. There is both an economic and an educational logic pushing us in that direction.

The politics, of course, will always be more complicated within issues surrounding access and equity, regional and indigenous disadvantage, and outer metropolitan identity and job losses all on the agenda. Even the Groups of Eight proposal¹⁰ to significantly de-regulate supply and demand recognises the need to tackle these issues.

The future - Defining a Role and Forming Partnerships

It is in and around the case for further de-regulation that the agenda is being set. Universities can assume that change is in the air and start to imagine how they might fit into the new environment. However, it is much easier to talk about global competitiveness and diversity than it is to make it a reality.

Already we can see change. Melbourne has focused on the structure of its degree programs with its "Melbourne Model". Its repositioning is radical and is unlikely to be replicated across the system as a whole. However, it has put a renewed focus on the

⁹ "Tiers for Fears"

¹⁰ Seizing the Opportunities: A Group of Eight Discussion Paper, 6 June 2007

meaning of an undergraduate experience and reminded us of the growing importance of graduate programs for long-term global competitiveness.

Whatever one thinks about the Melbourne Model it is clear that there will have to be renewed efforts to upgrade the generic skills required of all students and serious attention paid to specialisation in mission and curriculum. I note the contribution from our own David Day, Stephen Garton, Gwynnyth Llewellyn and Judyth Sachs on this very subject in their discussion paper "Promoting flexibility and enhancing generic skills". They propose the enhancement of generic skills for all undergraduates not just taking a proportion of one's degree from a different disciplinary tradition.

More than ever the need for new and sustainable partnerships will be crucial. In this challenging environment the support of state governments may turn out to be a major factor. Although state governments have largely vacated the field of funding and control since the 1970's they still have an important interest in their universities. It's not that they still have some legislative and auditing responsibilities but rather that they all have an interest in the development of knowledge economies.

Although it is clear that policies to that end would need to engage and involve universities that has not always been recognised. The reason is simple – a fear that state government support would encourage the Commonwealth to reduce its commitment. However, as a recent report for the Western Australian Government has shown the evidence points to a different conclusion:

There is no evidence that the Commonwealth has reduced its funding to any State which has provided resources to higher education institutions, be it for infrastructure, teaching or research purposes... In instances where a State has provided infrastructure funding, most notably in Queensland, it has been able to leverage additional contributions from the Commonwealth. ¹¹

Indeed the success of state support strategies in states like Queensland and Victoria provide clear evidence for the positive benefits of the partnership model. New initiatives have been made possible and state funding used to leverage extra money from private and philanthropic sources as well as from the Commonwealth.

The states are particularly well placed to provide strategic and targeted support for research and to facilitate networks between universities and industry. Such networks are essential if knowledge is to be incorporated into the production of goods and services. That regional governments are well suited to play this role was recognised in the OECD report Cities and Regions in the New Learning Economy (2001)

It may seem ironic that the states would expand their role in higher education whilst under challenge from Commonwealth in primary and secondary education. In reality it is a recognition of the limitation of any "one-size-fits-all" model of national uniformity in a world which places such a high premium on innovation and the networks of trust and

¹¹ Higher Education in Western Australia and the Role of the State Government, May 2006

exchange required to facilitate it. Not only is uniformity increasingly frustrating for the universities themselves it is working against maximising the potential outcomes we can receive from higher education.

Conclusion

I trust I have been able to establish that it is possible to keep alive the traditional view of the role of the university in relation to both its teaching and research functions whilst at the same time forming a positive and extensive connection with the local, national and international communities. Indeed it is my view that there is an educational logic as well as a political and an economic logic to such connections.

In Australia today the degree of central control over universities is meeting expected resistance as global competition intensifies. De-regulation is on the way and universities would be wise to plan on that basis and seek new partnerships with state governments to meet the challenges ahead. For their part state governments would be foolish not to recognise the opportunities which their universities provide uncomplicated. Being respectful of procedures, creative and innovative and responsive to clients and customers – all at the same time – is never easy!