

## What is the Future for Higher Education in Australia?

Since the recent higher education announcement by Minister Tehan there has been much predictable discussion, most of it generated directly by the way in which he and Prime Minister Morrison made the announcement. Because of the descriptors they used, most of the subsequent public conversation and debate has been focussed upon the cost to the student and where the government thinks future jobs will be found. One thing that was revealed was that the Morrison government considers arts degrees a waste of time in terms of preparing the workforce of the future. Therefore, as a disincentive, they are seeking to make arts degrees much more expensive to undertake. This has led to much rightful indignation and defence of the humanities across the community. We have also been told that some much-needed STEM degrees will cost the student considerably less. The trouble is, this rhetoric hides, perhaps intentionally, the real issues that underlie what has been proposed.

The way the announcement was deliberately couched put limitations on public discussion in ways that can be most easily massaged and managed by those who let it loose, like a highly contagious virus, upon the community. With the Morrison government, bad news will usually come wrapped in clever 'advertising spin' to guide the narrative and public discussion. In this case we have a little bad news (more expensive arts degrees) coupled with good news (cheaper degrees in some essential employment areas). The trouble is, at the heart of this matter, the news could not be worse for the Australian university sector.

The fact is, what a student will pay for their degree is of only passing interest to the real decision-makers, the universities themselves. For them, a far more important set of questions relate to the amount of money they can expect to receive from Canberra for each fully enrolled student and whether this announcement will involve substantially changing the current funding model.

For almost 30 years what students have contributed towards university degrees has been based on both the cost of delivery of individual programmes and, importantly, a graduate's earning capacity. Arts degrees are cheaper to deliver than engineering, law and medical degrees. At the same time, engineering, law and medical graduates can usually expect to earn a lot more than arts graduates over their working lives.

But what has now been announced has thrown away whatever logic the old system was based upon and created something new that supposedly reflects the likelihood of graduates actually getting a paying job at the end of their study regardless of how much that job will pay them. It reveals that the government sees universities, by and large, as vocational training institutions, like slightly grandiose technical colleges, while at the same time seeing students as apprentices of one sort or another.

By creating this new fees-scenario the government is attempting to turn our universities away from being institutions of higher learning, scholarship and research towards cheap-to-run training organisations. But this is not new. In fact, this conversion of universities away from the old model was actually begun by an earlier

conservative government led by John Howard. It was under John Howard's leadership that the way universities were expected to behave began to change. It was the Howard government, in the late 1990s, which took the first brutal steps on this path by removing from universities a huge amount of public funding. Under their Education Minister, Amanda Vanstone, faculties at my university lost around 25% of their operating budgets. My faculty was small in comparison to others, but in 1998, a year after the Howard government took office, I had to sack 9 of my salaried staff members. Alongside this measure, and with no warning, we were also required to become entrepreneurial and more business-like to make up for what had been taken away.

Chasing full fee-paying students has brought a considerable change to the operating environments of universities including new pressures deriving from large cohorts of students whose first language is not English. But despite the pressures, Australian universities have remained institutions which value equally research, scholarship and good quality teaching.

Moreover, the reduction in funding in 1997/98 was not an indication that the government expected universities to contract in size by taking fewer students or dropping some of their programmes. Far from it. Universities were encouraged to maintain their enrolment numbers or grow even larger with no limits placed on international and domestic full fee-paying places. Moreover, the federal government made this change very quickly and with little warning. When the Howard government was first elected in 1997, they had not taken higher education reform to the people as part of their election platform and yet the financial cuts and all their flow on effects amounted to a major policy change for the nation's universities to deal with.

This is not to say that, over the years that followed, some of Australia's universities haven't done well out of fee-paying students. Many have increased their income considerably as a result of their entrepreneurial efforts, but this has come at a considerable cost. Moreover, most international students come from Asia and capital city universities are usually more attractive to Asian students and have therefore been more successful at attracting them compared to their regional counterparts. That said, the task of chasing full-fee dollars has been a considerable distraction and has added new layers of complexity to the core business of universities.

Being business-like and entrepreneurial did not come naturally and was always a task for which the universities were ill-equipped. And who in their right mind would try to operate with a business model in which the only income would be received once or twice a year at enrolment time? Modern business practices indicate that to be successful in highly competitive markets you have to be open and selling your wares 24/7, all year round.

The LNP was not the first federal government to meddle with higher education: the Hawke/Keating government created a huge increase in fully funded university places as well as a somewhat misguided and clumsy unified national system (the so-called Dawkins reforms) involving wholesale amalgamations of former colleges into a single university system. The creation of vastly increased student numbers was partly to keep young people out of the unemployment statistics of the day. It was politically expedient for the government to hide from public scrutiny the real unemployment

figures. This tactic probably tipped the balance for the recently appointed Prime Minister, Paul Keating, and gave Labor an extra term in office. Creating more university places also gave school-leavers a shot at further education before trying to enter the highly competitive workforce. This was a period of high unemployment, very high interest rates and 'the recession we had to have'. It was also cheaper and seen as being more productive in the long term for the government to fund university places rather than the dole.

Should we trust governments, conservative or otherwise, to do the right thing with the nation's universities? Probably not. But should we place any greater trust upon our universities to protect what is most valuable in their institutions, or should we assume that they, like politicians, will be guided mainly by what they need to do to survive in the short term?

The conversation initiated by the government's recent announcement has all been about what the student will pay for a degree; unfortunately, this has a smoke and mirrors effect which prevents the public from seeing something far more significant that lies beneath the surface of the discussion.

Putting aside arguments about whether higher education should be free (which I think it should), we should not only be asking how much each student will pay, but more importantly, how will government income, including the student fee component, be distributed to the universities? According to the current system, a lower cost to the student (for example, an arts degree) translates to less income for that particular degree programme going to the university. Correspondingly, a more expensive programme (medicine, for example) translates to greater income to the university per EFTS (Equivalent Full-Time Student). Students enrolling in university programmes pay fees according to the cost of delivering the chosen degree as well as their earning potential as graduates. This is why, at the moment, medical, legal and engineering degrees cost a lot more than arts or teaching degrees. If the current financial models were to be maintained, arts EFTS will be worth a whole lot more to the university compared to medicine EFTS. This seems an unlikely scenario, which leads to the inevitable conclusion that the current funding modelling will have to change, probably quite radically.

Most likely is the scenario that, in the absence of a very large hike in the amount of funding given to universities by the government - which is not on their current agenda - the net result will be less money per EFTS which the universities can expect to receive for each full-time enrolment across each of their programmes. The simple fact is this: without a dramatic increase in government subvention, if a student is paying less for an expensive-to-deliver degree the university will receive less funding for that student.

But there's an insurmountable snag which the government may not be able to overcome: all degrees are subject to accreditation and professional degrees such as medicine, law and engineering are subject to rigorous and frequent professional external reviews. This process regulates course content, contact hours, staff/student ratios and the like. Making changes to these degrees is not easy particularly if it involves reducing contact hours and imposing less effective teaching methods. The result will inevitably mean that any required savings will need to be made elsewhere

across the suite of programmes each university offers. As a consequence, even if arts degrees are earning more money for their university, that money will not be spent on arts degree programmes or arts and humanities faculties.

In addition, it needs to be understood that any changes that are made to the current university funding model will need to take account of the complex funding formulae that apply to universities to enable them to cover all costs. Unpicking the system and inventing new funding formulae is not an easy task and would take considerable time to achieve. We should assume, therefore, that the departmental staff in Mr Tehan's office will have been working on these changes for at least 2-3 years, and that the timing and the wording of this announcement was chosen in consultation with Mr Morrison, simply for political purposes, that is, to distract the public from looking at and reacting to something else.

To date, the federal government has always made a substantial contribution of taxpayer money to all university programmes, including, of course, arts degrees. All university degrees have always received a mix of federal government taxpayer funding as well as the HECS fees that students themselves contribute. However, this recent announcement about more expensive arts degrees strongly suggests that a new funding model will be imposed, which will see arts students being required to pay the entire cost of their degree with little or no dollars coming from government.

Inevitably, whatever the government is up to is going to cost the universities a great deal of money, particularly money that formerly was directed to arts and humanities faculties and departments. Arts degrees will be far less popular- as a direct result of the announcement - and the departments that have been set up to teach and research in the humanities areas will wither away.

One must reach the conclusion, therefore, that the announcement from Canberra wasn't just about government-directed social engineering, but was also an attempt at manipulating the industrial system in which universities operate, involving the casualisation of more and more teaching jobs and turning those jobs, particularly in the degrees that are not subject to professional accreditation, into a set of tasks that will be about as rewarding and complex as the sorts of things junior shop assistants are required to do. There won't be much in this new employment environment for a clever graduate to aspire to, and the future university picture that is depicted is not very inspiring for a clever country either.

So, what does Mr Morrison's government think about providing a skilled workforce in the future? He and his Minister say that science, engineering and nursing among a handful of other professions will be vitally important and this is why they want to make them cheaper to enrol in. But what is their real view of the most likely career pathways for the next crop of young people in Australia? If we take note of government advertisements, we can see that 'work' (having a job) is most often depicted as someone (usually young and female) serving or making coffee in a café or a labourer (usually young and male) mixing mortar on a building site. The marketing message is very clear: for this government the labour force in Australia is made up primarily of baristas, waitresses and labourers. Essential though these unskilled jobs are in our society, they are not what our universities were established to serve.

But is this just crass, 'reduced to the lowest common denominator' advertising messaging? Perhaps it is, but it could also be the case that this view of employment contains more than a grain of truth. Over recent years, Australia has given away to other countries (particularly China) most of its manufacturing skill-base (what we use to be able to do for ourselves) thus making modern job creation in Australia a fairly limited and challenging field in which to operate. In Australia, over several decades we have played fast and loose with the mix of what we can do for ourselves and what is done elsewhere to a point at which our options for job and wealth creation have been severely reduced.

We need to become a clever country once more and perhaps our biggest task in reclaiming our 'clever country' status and independence will depend upon having well-functioning universities. Our universities need to be free from the constraints and severe limitations associated with chasing full fee-paying student dollars and they need to be properly funded so that they can focus upon much-needed research and development of ideas. It should be the university sector which is tasked with turning Australia into the clever country we need to become.

Mention was made earlier of the Hawke/Keating government's decision to unify our national education system. This was carried out between 1989 and the early 1990s by changing from a two-tier system of separate universities and colleges of advanced education, which had distinct and differing roles and purposes, to a single, unified national university system. Perhaps we are now on the cusp of seeing that old binary system reinvented in some form or other with a few elite, research-focussed universities on the one hand, while on the other, a second group of less research-intensive universities whose function will be to train the future workforce. If this is to be attempted, it will require finesse and reflective judgement and not brutal sledge-hammer political decisions to achieve the correct balance between the nation's higher education institutions.

The Morrison government has probably been itching for some time to indulge in a little broad-brushstroke social and industrial engineering with the higher education sector. They reckon (and they're probably right) that they won't lose too many votes by attacking higher education. History is on their side with this assumption; in the past, sitting governments don't seem to have lost many votes by ripping money out of higher education. John Howard and the UK's David Cameron each indulged in the practice and it cost them little at the ballot box. Further, it seems this government doesn't like universities very much, at least in their current manifestation. Perhaps this is because when universities are encouraged to function as they were originally intended, they breed thinkers who, in the main, are less inclined to vote for conservative parties.

But the real destruction (and this is the sinister, 'devil-in-the-detail' that is hidden from public view) will be carried out not by the government but by the universities themselves because it will be left to them to decide how they will deliver their programmes and courses for the meagre dollars they will receive, as well as who they will engage to do the teaching and under which casual employment regulations. We should not rely upon our universities to act with any degree of conscience in this matter. The most important moral imperative for universities in the last 20 or so years

– since the days of the first Howard government, in fact - has been survival, which they have tended to measure pretty much exclusively by balancing their annual budgets. This will be even more the case now if these recent announcements pass muster in the Senate. Accordingly, the university's response will probably mirror the Morrison government's approach: each university will be encouraged to see their institution as an economy first and a society of educators, learners and researchers second. So, they will play along with the game; with little else on their agendas they will appoint vice-chancellors, pro vice-chancellors and deans who will, first and foremost, get the economic essentials of the job right. Those in their ranks who are difficult and resist these predictable changes will be let go under the general rubric of restructure and 'change management'.

This doesn't paint a very rosy picture of where our universities, including the so-called 'sandstone' ones, will end up if these government measures actually make it through the Senate. In terms of the learning environment, students will quickly become bored with what they are getting and will drop out. Who can blame them? It's not very inspiring to be taught on-line in a totally automated electronic campus with virtual lectures and tutorials. So much for on-campus debate and discussion which originates from inspired and inspirational staff stimulating their students to test and formulate their own ideas.

If one puts this likely university funding scenario together with the inevitable drying up of international fee-paying students post-COVID, the net effect will be a drastic decline in funding for Australian universities, cheaper and less inspiring programmes and courses and, in all likelihood, the closure of some (possibly many) of our institutions. What the Howard government did to universities by insisting they obtain an increasingly larger percentage of their income from international and domestic fee-paying students can now be seen as having set them up for monumental failure. What the Morrison government has now announced amounts to the final nails in the coffin of Australian higher education. It is hard to escape the thought that this government, and particularly its leadership group, dislike universities and everything they stand for. Perhaps the Morrison inner circle is more Trump-like than we thought.

It is no wonder the government refused to talk about Job-Keeper in relation to university employment given that the announcement of this bombshell was only a few days away.

Perhaps this crime against Australia – and that is exactly the way this should be seen - is a deliberate attempt to starve and marginalise a sector that historically doesn't vote conservative. And with the background of "sports-rorts" still reverberating in our collective headspace, it seems logical to think that an act of starving a sector toward which they feel political hostility is exactly how we should expect the Morrison government to act. This is what Donald Trump would do, and given his influence on our PM, we should probably expect to see our own version of this sort of political nastiness.

But in this process of sticking it to the people they appear to regard as their political foes, they threaten to consign a generation of our most precious resource, our young people, to a seriously sub-standard higher education experience.

Our universities certainly face a potentially catastrophic cash-flow problem, but there are much better and more finessed ways to solve the post-COVID issues they will face. In just about every aspect of our future world, including the ways in which we make and spend our money, there will need to be drastic change after the virus danger has subsided. Our universities will obviously require an overhaul, but we must make it a positive and constructive change, one which should commence with greater sophistication in our collective understanding of what each university discipline can offer in the long-term to the future of Australia and the world. Unfortunately, this is not a view of the future we can expect from our current government.

What is needed now is not shoot-from-the-hip measures such as what is currently being proposed by the Morrison government. Rather, Australia needs to make some deliberate choices for its higher education sector, choices which have at their core the desire to make this country highly successful in every domain. Without our universities functioning properly we cannot aspire to the best quality of life for Australians and we cannot make a meaningful contribution to the world. It is as simple as that. Australia needs the enrichment that its universities bring to their local regions, the nation and the world. This can only happen when universities are allowed to function at optimum levels, when they are not interfered with by government, and when funding is set aside to pay for them.

We need to plan for a future in which our universities have a central role to play. We need a roadmap for our universities which is not constructed by government to suit their political goals, but which lays out in detail exactly what Australia needs from its universities in order to make our country the best possible place in which to live. This is a national need which transcends politics because it is the future of the nation that is at stake. Such a roadmap could only be achieved through the establishment of an independent Australian Universities Commission which would be tasked with the development of a plan for Australian higher education over the coming 30 years.

Robert Constable  
Kangaroo Valley NSW  
April, 2020.

(Professor Robert Constable is the former Dean of Music at the University of Newcastle, and the former Head of the Schools of Music at the Universities of Auckland (NZ) and Canterbury (NZ).