

# What's So Special About Universities?

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**I**S REFORM of Australia's universities the most crucial public policy question currently facing the nation?

In the midst of the dangers posed by terrorism, changes to Medicare, an overhaul to telecommunications law and other matters, higher education continues to be at the forefront of the Australian political debate.

The building of a 'Knowledge Nation' was the central plank of the ALP's policy for the 2001 Federal election, and in recent months the Coalition itself has unveiled its major reforms for the higher education sector. But if the rules of opportunity cost apply to public policy, can the attention being devoted to Australia's universities be justified?

If the country's politicians and media are arguing about higher education, what are they *not* arguing about? There most definitely is an opportunity cost to the approximately \$3 billion that the Federal Government provides to higher education (which does not include students' own contributions of around \$1.5 billion).

All of this is not to maintain that questions about the condition of teaching and learning in our higher education sector are not important—they are. But it is a question of priorities. The idea that a nation's economic and social well-being depends on what occurs in university laboratories and lecture halls is of recent origin. More precisely, the idea that what occurred there depends on how much

money taxpayers spent on higher education can be dated from the introduction of 'free tertiary education' by Whitlam in 1974.

(As has been pointed out by Andrew Norton in *The Unchained University*, the significance of this change has been overstated. Before 1974, around 75 per cent of students attending university were in receipt of some form of government scholarship. As Norton shows, even though the participation rate in higher education from students of low socio-economic backgrounds has been higher over the last few decades, their share as a proportion of total enrolments has not increased because of the huge influx of middle-class students into universities after 1974.)

The connection between government expenditure on higher education and whatever might be defined as 'a nation's economic and social well-being' is far from clear. Few of the 'spillover effects' and 'public goods' provided to the community as a product of university education have ever been demonstrated. Why, then, is there this obsession with higher education—an obsession which is by no means unique to Australia? Especially given that at the same time there is the absence of a vigorous national debate about the quality of schooling.

This is ironic given that school outcomes can be directly related not only to the condition of the community, but also to the life chances of individuals. Perhaps the single most important reason for the dominance of higher education

policy on the national consciousness is because of the view—shared by both sides of politics—that the 'solution' to universities is simple. On the Left, it is fervently believed that only the provision of hundreds of millions of extra dollars will alleviate the 'crisis' of our universities. On the Right, there is the argument that the solution lies in deregulation which, over time, will not only improve access as students are allowed to invest in their own education, but will also improve the quality of the tertiary sector.

Despite all of the changes that have been made to the country's higher education institutions since Menzies commissioned the Murray Report in the 1950s, as Alan Gilbert, the Vice-Chancellor of the University of Melbourne, said in 2001, 'there is no Australian university in the top 100 in the world'. Despite universities' calls for 'academic independence' they have acquiesced to the efforts of various Federal Government's to manage, regulate, and stipulate what universities do.

The policy position of the Left in relation to universities—more state intervention and more taxpayers' dollars—suits the general proclivity of many policy-makers in Australia to look first to government for solutions. The only problem is, as the proverb has it, 'if the only tool you have is a hammer, soon every problem begins to look like a nail'.

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