

Liberalising Learning: an Overview

Andrew Norton

The three Bert Kelly Lectures published in this issue of *Policy* by Professors Lauchlan Chipman, Alan Gilbert and Steven Schwartz were the first events in the CIS's new higher education reform programme, *Liberalising Learning*.

I think it is widely agreed that higher education in Australia is a public policy disaster area. Satisfaction with the current system is hard to find. The official representative of the Vice-Chancellors, the Australian Vice-Chancellors' Committee (AVCC), endlessly and unsuccessfully complains about the level of public funding, and its view is supported by unions of teachers and students. Staff morale at many higher education institutions is low, with not only the same criticism of funding levels as the AVCC, but also added complaints about the 'managerialism' of university administrations. The current Federal Education Minister, Dr David Kemp, thought the funding and regulatory system was so bad it needed to be almost entirely scrapped, but regrettably, when he put his proposal to Cabinet they decided against any structural changes.

I worked for Dr Kemp as his Higher Education Adviser at the time of the Cabinet's decision. The key problem we faced was not what needed to be done to deal with the problems of higher education; in broad terms it is clear that we cannot have a well-funded and competitive system without the deregulation of fees and place allocations, along with the extension of income-contingent loans to all fee-payers. Rather, the problem was that the public was unprepared for change, and in that context, it was very easy for the Opposition and various interest groups to wage a scare campaign.

The CIS decided to start *Liberalising Learning* to help inform the public about the problems in higher education, and what can be done to fix them. This is the kind of task which think tanks are ideally placed to do—unlike politicians, we do not have to worry about elections, and unlike Vice-Chancellors, we need not be concerned by self-interested students or conservative staff (though as

our Bert Kelly Lectures show some Vice-Chancellors are prepared to wear internal criticism).

We are reasonably confident that change can occur. The failure of the AVCC to support reforms that could produce long-term increases in university funding is leading to the creation of smaller university interest groups, such as the coalition of research-intensive universities known as the Group of Eight. While none of these universities—Adelaide, the ANU, Monash, Melbourne, Queensland, Sydney, UNSW, UWA—are at risk of going under, the current system of undifferentiated funding disadvantages them most, as they are seeking to maintain a qualitatively different and more expensive type of higher education institution.

Politically, the next major turning point in this debate is likely to be the bail out or bankruptcy of a university. In 1998, eight universities reported a financial deficit for the year, and this is before they faced the current round of enterprise bargaining. The major union covering university staff, the National Tertiary Education Union, is driving universities into deals with pay increases of 4% a year or more. Government indexation is likely to cover less than half of that, though it may cover nearly all for one year only, if universities successfully meet a conditional offer the government currently has before them. How can a sector already awash in red ink afford wage rises? I think the short answer is that they cannot.

The test for the CIS will be to sufficiently inform the public of necessary reforms so that by the time the funding crisis peaks, it will not just be reported through the old journalist's template of 'more government money'. Rather, there will be an appreciation that the problems are structural—universities are going broke because the federal government will not let them charge their main customers, undergraduate students.

Policy

Andrew Norton is Director of the *Liberalising Learning* programme at The Centre for Independent Studies and former editor of *Policy*. For media coverage of the programme, visit our website: www.cis.org.au.