

# The purpose of higher education and how its funding can be sustainable

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Purpose – more than economic?

Newman's *The Idea of a University* is the Western touchstone for purpose. For Newman, the purpose of a university is to educate and he pits his ideal against the development of a professional skill, or a utilitarian end to education as the main purpose. The liberal education he champions is one in which the student

... apprehends the great outlines of knowledge, the principles on which it rests, the scale of its parts, its lights and its shades, ... A habit of mind is formed which lasts through life...<sup>1</sup>

And Newman concludes that a university education has a purpose, but not one that is described by those who require it to serve business or economy. It is to serve a greater good:

...[it] is the great ordinary means to a great but ordinary end; it aims at raising the intellectual tone of society, at cultivating the public mind, at purifying the national taste, at supplying true principles to popular enthusiasm and fixed aims to popular aspiration, ..., at facilitating the exercise of political power and refining the intercourse of private life.<sup>2</sup>

It is interesting that Newman is contrasting his higher purpose with the major reason given for the formation of every Australian university to provide education for the professions and the economy.

The statistics attesting to the economic benefit of a university education to the individual are strong and related benefits of greater health, longer life, greater social volunteering and less incarceration equally strong.

And the broader economic benefits, higher levels of workforce participation and productivity, export earnings in excess of \$35 billion annually and returns from innovation add to the utilitarian case.

The purpose of higher education has two aspects; purpose for the individual and for the community

A simple answer is “to prepare and inspire new generations, giving them the capabilities to shape a better future for themselves and the world”. This is a less poetic distillation of parts of Newman, with the recognition that we might all also individually and collectively care about the economic benefits.

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<sup>1</sup> Newman, *The Idea of a University*, 101.

<sup>2</sup> Newman, *The Idea of a University*, 177-178.

It was on this foundation that the recent Monash Commission rested its deliberations.

Most important is recognising that how that purpose might be described shifts with individual, societal and historical context. And that without research and scholarship, the range of possibilities and capabilities for which we will be able to educate will be impoverished by repeating ourselves.

Finally, as I move to the second issue about funding sustainably that which we desire, a broad purpose does not necessarily determine the institutional or organisational form in which it should be delivered.

The very clever J. C. Masterman, deliberating on the characteristics that make an Oxford education great, opined

As we have discussed Oxford and its different aspects, we have always tended to return to our own early days. Each of us sees it as it was when he was young, each of us thinks that his own age is by much the best, each of us thinks that his successors ought to enjoy the things which he enjoyed and to admire what he admired. But why should they? Isn't it right that every generation should live its own life and worship its own gods?

*“The world’s great age begins anew,  
The golden years return”*

The great age for us was our youth, but it seems to me that every October, when the freshmen (sic) arrive, the great age dawns for them and the golden years begin.<sup>3</sup>

And in this the final thoughts about purpose; it is found and created anew by person, at that time and in that place; the institutional forms that matter for purpose give the breadth and resilience to meet the new age and create the golden years.

## Funding sustainably?

The funding issues that bedevil debate in Australia can be broadly subdivided into the following:

How much public vs private? How should education and research be funded? How much access should citizens have to higher education?

These are all fundamentally issues about how much funding should come from the Commonwealth purse to higher education or to its citizens demanding higher education. Related to this, but often subsumed within the broader discussion or treated separately, is government investment in new knowledge creation or research and its dissemination and development.

Governments to date have broadly given one consistent answer to the first question about how much? The answer is no matter how much, each citizen who benefits will contribute to the cost through an income contingent loan scheme (HELP). And after a short flirtation with the notion that

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<sup>3</sup> J. C. Masterman, *To Teach the Senators Wisdom or An Oxford Guidebook* (London: Hodder and Stoughton, 1952), 274.

government should fund enough to produce some 40% of 25-34 year olds in Australia with a degree, the answer is less government funding.

This has been achieved in recent years by a cap on funding at 2017 levels - amounting to a \$2.1 billion cut over four years. This was after successive cuts from 2011 to 2017 that amounted to some \$3.9 billion.

To the question of research funding, the answer has been unclear. If it is medical research and medical translation, then there is increased direct funding from government available. If it is any other research, then direct and indirect funding has been reduced - the last cut was \$328 million last year in research support.

And there has been a shift in government rhetoric about its funding which suggests it is 'only' for education. If this is the case then there is a very significant case for increased government funding in research, direct and indirect. Government invests billions through its R&D tax concession in development with not much evidence that it is based on research or the development of same. Redirection of this funding to productive and more transparently justified ends is warranted.

The largest single 'private' source of revenue to higher education is from international fee paying students – some \$9.3 billion in 2017 and rising. And yet here the national debate is often strident and confused. The claims are many and usually vociferous. This income is at risk; we should not depend on it; we should have less of them and therefore their revenue; they are not getting value for money and so on.

Why is private revenue problematic? We mandate it for our domestic CSP student. What about our domestic postgraduate fee-paying students? Are we worried about our dependence on their revenue? And when is it problematic?

If education cannot fund research, then where will its funding come from?

We need education sufficient for our societal needs – why is the calculation different from that which funds compulsory schooling? If we need a certain proportion for our national purposes then that proportion should be funded.

But funded to what level? We require our universities to undertake education and research legislatively. Either we fund them for education that covers the costs of research (our current unarticulated position) or we decide how much research needs funding and we fund that separately properly.

It was these views that took the Monash Commission to its recommendations on funding and on learning entitlements.

We need review of our funding system in the context of what we expect from post-compulsory education - not just from higher education. We cannot keep hoping that if we cut just a little more flesh from the bone that the whole will continue to live and produce further life. And despite the worries of those trying to balance budgets and be re-elected, we will all be better off if we were clear about our commitments to the citizenry and the future of the nation, rather than hoping like Micawber that something will turn up.