What Should Universities Be?

Acknowledgement of country

Universities since the mid-19thc, when public universities began to emerge, have often questioned what they should be – although the list of titles proclaiming a crisis in the conception of the modern university has grown very extensive in recent decades. The emergence of mass higher education systems in the post-war era has raised fundamental questions about purpose, governance, and the mission of individual institutions and institutional systems as a whole.

This conference is a timely and welcome opportunity to discuss an important topic at a time when in the Anglophone world, universities seem to be under increasing attack – from inside and outside the institution.

This is puzzling given the critical importance of universities to modern economies. Sometimes it is an issue of neglect. A recent article in the Economist about the Australian economic miracle (27 years without a recession) completely ignored the role of universities in this miracle, except for a passing reference to how one university had helped the economic resilience of Townsville, even though 3.5 million new jobs in the Australian economy since the 1990s have been in the service sector where university degrees are a paramount qualification for entry into this labour market. And as we enter the fourth industrial revolution university qualifications are going to become even more fundamental for developed economies. Universities should be at the centre of government strategies for the future.

Instead individual universities and higher education systems are currently at the centre of the culture wars – around questions of academic freedom, their relevance, the return on public investment, affordability for students, research findings that complicate public policy, their economic utility, their role in relation to questions of national security, the virtue of independence and so on. Public funding of many systems is in decline, and student debt rising, with complex consequences for universities and their management. Recent developments in New Zealand offer a ray of hope in this gloom but one suspects Australia is more likely to follow the British example than the New Zealand.

The global context for research and education is also undergoing profound change, requiring adaptation. Research should be borderless, although it is causing great heartache in many government quarters. Students are more mobile. In 2010 the number of students undertaking global mobility was around 3-4 million. This is set to double by 2025. Chinese investment in research and development is the second highest in the world. Will Anglophone universities continue to attract international staff and students or will staff and students from Anglophone countries start going to China, Singapore and Hong Kong in significant numbers as these systems flourish.

In this context what universities should be and how we can ensure the survival of plural and open research and education institutions, are very pressing questions. The talk in Canberra, Westminster and many other parts of the Anglophone world is increasingly instrumentalist

– there is a policy push (which inevitably means the skewing of funding) towards utilitarian ends – education should be increasingly focused on making students job ready and research should be useful, applied and translational.

How can we ensure the health and well-being of a liberal education and foundational research, let alone humanities research which as recent events have shown is under sustained public attack. The challenges are many and of course public universities are inevitably embroiled in these public contexts.

Equally important universities in the Anglophone world have lost much of their legitimacy. There is little public outcry about funding cuts or ministerial interventions into research. Instead policy frameworks are geared towards bending universities to the will of market forces. In 1990 89% of the funding for the University of Sydney came from the Government – excluding HECs and FEE-Help. In 2017, such Government funding was merely 30%. And much of this had to be won in competition with other universities. In a $2b annual business only $30m of the University of Sydney's funding came from Government with absolutely no strings attached.

In this context let me flag my disquiet about some of the contemporary framing of the problem as managerialism and the corporatisation of the University.

All this makes for great rhetorical flourish and populist appeal but the corporate/ managerialist conception is painfully crude and facile. Australian universities are actually complex hybrid beasts – part corporate like, part public service department and part welfare state.

In that Australian universities have to source vital revenue from many different streams of activity they have to be businesses – but they don't have shareholders. They do not make a profit, every cent of surplus is reinvested into the core operations of research and education. But they are also public service entities, reporting to government departments and governed by a raft of legislation. The University of Sydney alone is governed by 120 separate pieces of Federal and State legislation all of which involve compliance costs.

But they are also welfare operations, undertaking vast amounts of cross subsidisation to sustain a liberal conception of the University. We generate revenue in some areas and take it away to support others. If managers didn't make these difficult trade off decisions most Australian universities would not do research and we would not teach vet science, agriculture, creative and performing arts, physics, perhaps chemistry, nursing and dentistry would be marginal, many languages, certainly not Ancient Greek and Latin and we would not teach clinical medicine. Corporations rarely make such significant trade off decisions.

And as for the managers most of them I know are actually academics, some still remain research active and therefore grow into these roles in part as a response to the dilemmas they find themselves in as academics. All of them are appointed by committees dominated by other academics. People might not like what they do but what they do is often based on different academic conceptions of what is required to ensure the survival of a viable

research and education institution. Too often difference of opinion and approach is pathologized to avoid grappling with the real issues.

Universities have had to become more corporate like because their funding is no longer publicly guaranteed – it has to be competed for and that competition is increasing international competition. We have large property and investment portfolios which need expert management. We require governance skills and new forms of employee (marketing and recruitment teams for example, rankings optimisation teams for another example) that we never needed 30 years ago when funding came merely by virtue of being a university. That is no longer the case.

The compliance costs of all this, however, are astronomical. And the maniacal fetish for oversight without fiscal responsibility shows no sign of abating and regrettably takes away crucial funds from the core business to feed public service empires in Canberra.

We have become a mass education system with declining proportion government funding – measured as funding per student. In 1901 0.1% of the population were enrolled in universities, now there are 1.1 million Australians in Australian universities, 4.4% of the population and there are 123,000 staff. Ten million Australians now have a post-school qualification, and 43% of Australians aged 25-34 have a bachelor's degree. The value add to the economy is of the order of $30b.

Managing universities in this context requires a range of skills and expertise that most academics are not trained for and only acquire through long and sustained engagement in administration.

That said universities cannot thrive unless they have vibrant academic communities that are deeply involved in crafting the research and education agendas of the institution. And some of this has to run counter to the current political climate. It is vital that universities sustain forms of a liberal education philosophy, while still embracing professional education, and basic research while simultaneously growing applied and translational research. This sometimes forces uncomfortable and contested trade-offs. Those trade-offs are often difficult but are essential if we are to sustain an ideal of a liberal and plural institution.

And here let me nail my colours to the mast. Collegial governance is essential to sustaining this mission but it is not sufficient. I began my career here when Deans were elected and this worked reasonably well because there was absolutely no budget responsibility involved – all budget decisions were made in the Quad. It might be sufficient in institutions where funding is not at stake but it is nearly always at stake and increasingly so. Thus it cannot be sufficient in an increasingly complex funding and policy environment.

Most universities in Australia sustain, and should sustain, dual forms of governance – where the finance, risk management, investment, estate planning, marketing, recruitment, engagement and administrative arms of the institution have a measure of expert oversight, guided by academic decisions, while the core business of education and research, is sustained by governance oversight through the separate streams of school, faculty and academic boards. This dual governance is integral to the future of Australian universities.

Getting the governance balance right is always a challenge. But one of the challenges has been the lack of sufficient engagement from many of our academics, particularly the professoriate, in these academic governance forums. It falls disproportionately on a minority of very committed academics who do a fantastic job. There are many examples of great commitment around all universities but many of the complaints we receive are about senior academic leaders seeking to evade academic administration to pursue immediate research and teaching interests. If the dual governance model is to work, it requires more of our professors, in particular, to step up to the plate. Some do, admirably, but equally many do not. Here is one challenge for management to throw back to the professoriate.

The question for me is less whether universities are corporatised or not but whether they are well managed – and that requires putting things into specific contexts and not deploying idealised stereotypes that sound great in theory but have a history of failure in practice. In Australia sustaining a hybrid model of governance is one means of managing these competing domains of expertise, academic mission and authority and balancing difficult trade off decisions. But to make that work the boundaries and overlaps need constant questioning and our academic leaders need to throw themselves into the major forums of academic governance and administration to ensure that we are well rather than poorly managed.

These issues are at the heart of this conference and I wish you the very best for your discussions of these vitally pressing questions.