

Power shifted from states to the federal government and then to collaboration

Democratization with Rising Student Debt

New South Wales University researcher Supriya Pillai demonstrates her new solar panel that generates more electricity than existing panels.



REUTERS/DAVID GRAY

BY DERYCK M. SCHREUDER

FROM THEIR VERY BEGINNINGS ALL GREAT FEDERATIONS embody split institutional genes: those which work towards a common constitutional recognition of regional pluralism and those which represent the powerful environmental factors driving and shaping their operating character. As in long-term marriages, a certain ‘mystery’ surrounds their uniqueness, endurance and language of discourse.

Just as the Australian federation as a whole has moved from being highly decentralized at its formation in 1901 to becoming one of the world’s most centralized federations in 2001, so the fate of the country’s universities has been an indicator of the flows of federal power.

Before 1901, Australia was composed of separately founded and self-governing colonies within the British Empire. (The Canadian model was rejected as being too centralized.) Each colony ran its own government under the Crown, and these arrangements, of course, included basic services such as education and health, including universities. These colonial arrangements simply carried over into the new federal nation after 1901. The former colonies became states of Australia, and educational matters remained within their jurisdiction. Universities would belong to the states – their founding stakeholders – and would be publicly funded and governed by state legislation.

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Then in 1974, the reforming federal Labour Government of Gough Whitlam legislated to take over the operations of Australian universities, in the national interest. Yet the “take-over” was actually qualified, and a federalist form was retained. The developments of 1974 had long been foreshadowed by a growing federal involvement in university affairs since the heyday of the Liberal Menzies government two decades earlier. Issues of funding, student support and research allocation were at the heart of this significant development.

Federal “Takeover” Left Some Control to States

In addition, the changes of 1974 preserved key aspects of state ownership of universities, in a form of pragmatic federalism that was smart politics but represented complex policy that continues to this day. The federal government has become the overwhelming funding source for higher education institutions and providers of student support. The Higher Education Support Act of 2003 (HESA) is the latest formulation of that support.

Today, a significant dimension of the 1901 arrangements is still in place. The legislatures of the states continue to be the accreditors of new universities and the custodians of the university laws of establishment and governance.

These ancient dimensions of the dual Australian system – national financing and local governance – even survived the veritable revolution brought to higher education by Labour Minister Joe Dawkins’ White Paper of 1988.

As a key member of the Hawke-Keating government of 1983–95, Dawkins carried out a revolution, namely the massification of an old elite system, which, alongside a more debatable allocation of the national research dollar, remade Australian higher education. Massification meant the opening up of university access, resulting in an increase in university enrolments to at least half of the university-age population.

Dawkins Ended “Universities for the Elite”

Most decisively of all, he ended the divide between the colleges

SPECIAL SECTION

Post-Secondary Education



of advanced education and the older university system, thus doubling overnight the number of higher education providers, from about 19 public universities to the current 38 (plus three private facilities). Even Dawkins's critics applauded those moves. And that legacy endures: about one-fifth per cent of Australians have acquired a bachelor's degree, a 250 per cent increase since 1996, and the student population has jumped to nearly one million including nearly 250,000 fee-paying overseas students.

A funding revolution underpinned the changes of the age called "the user pays." The federal government argued that a university experience was not just a public good but a private benefit. The Higher Education Contribution Scheme (HECS) was introduced along with massification. This ingenious delayed-student-fee regime was based on equitable notions that higher education would be "free at the point of entry," but would then be claimed back in the form of student debts owed on an income contingent basis after graduation. An average graduating HECS debt is now \$10,500 Australian (\$8,751 U.S.) and the income threshold for repayment is \$39,825 Australian. Some fee-paying students owe more than \$50,000 Australian under a new scheme called FEE-Help.

The entrepreneurial university has also arrived in Australia. Many major Australian universities today draw less than 25 per cent of their budgets from the federal government, with the balance mostly taken from fees, charges and international operations.

In short, the strong centralizing impulses in Australian federalism since the Second World War have become ever stronger.

Making it Work

There is one key consultative mechanism that makes this current and peculiarly Australian system work by ensuring that all the policy gears engage. That mechanism is the Ministerial Council on Education, Employment, Training and Youth Affairs, or MCEETYA.

Significant policy changes bearing on the universities have to win the assent of MCEETYA members. The states have the ability through their numbers to veto federal initiatives, while the federal government has the purse strings to make things happen.

Assuring Quality

MCEETYA members are the major stakeholders in the Australian Universities Quality Agency, or AUQA. This agency is an independent corporation reporting to MCEETYA, with a board of directors nominated by MCEETYA, the federal government, the university sector, plus the non-self accrediting providers, businesses and the community.

And the Federation itself is still on the move. An impassioned *Sydney Morning Herald* editorial of March 10, 2007 – titled "States of disarray: it's time to fix the federation" – argued for major constitutional reform. It said that in a quest for votes, politicians had "created a ham-fisted patch-work of shared responsibility," not least in the area of educational policies. But whether that will happen, what impact it will have on universities and what improvements it will bring, remains to be seen.

Democratic federal systems are among the glories of the Western liberal tradition. They are also human creations which have small regard for symmetry, let alone simplicity, as they evolve the politics and policies of their pluralistic modern nations. 

Free Tuition No Longer Sustainable

The financing of post-secondary education is another area where the lack of institutional autonomy is obvious. With increased oil revenues in the 1970s, the federal government took over some state universities and abolished tuition fees. As a result, these institutions became much more dependent on the federal government for most of their needs. These levels of support, however, are not sustainable in the long term.

Yet the policy of free tuition at all public institutions remains in effect despite the government not being able to take care of even the most basic budget needs. Salaries are often in arrears, and institutions are dependent on monthly allocations from the state capitals.

Robust federal and state scholarships existed until the 1980s when oil prices turned down. The Federal Government tried to rejuvenate scholarships but that initiative collapsed due to lack of foresight and management skills. Scholarship and bursary programs are more readily available at the state level. Regrettably, these schemes are not sufficiently funded and many thousands of fully qualified students are unable to attend institutions of higher learning due to prohibitive costs. Increasingly, children of the poor are shut out. Private universities charge as much as \$7,000 for tuition fees, and very few provide student aid. Most parents who send their children to private schools do so not because of their quality but rather because of the instability of the public institutions.

Post-Secondary Sector Needs Major Reforms

Ms. Obiageli Ezekwesili, appointed Minister of Education in 2006, has proposed wide-ranging reform initiatives, including a controversial one to consolidate many post-secondary institutions. Under the scheme, all federal Colleges of Education and polytechnics (with two exceptions) would become satellite campuses of the universities. Benefits of the consolidation plan, according to its supporters, include saving costs through the reduction of supervisory agencies and bureaucracies. In the long run, this would also increase admission spaces by more than 50 per cent. Criticisms of the plan are the lack of infrastructure and low quality of instruction in many of the colleges of education and polytechnics, and that it is a World Bank plan, as Minister Ezekwesili is taking a post there in 2007.

Whatever the outcome of the consolidation plan, broad reforms of post-secondary education in Nigeria are badly needed for the sector to grow and improve. As Minister Ezekwesili has said, Nigeria's is a national crisis, not an educational one. The new president elect, Umaru Yar'Adua, should declare a state of emergency in the educational sector. Addressing issues of quality and adequate funding, from both public and private sources, must certainly be high on the list. But so, too, must be the issue of equity and whether the traditional Nigerian approach of free tuition in public institutions along with limited amounts of student financial aid can succeed in opening up education opportunities to traditionally underserved populations. Nigeria needs to look at international experience to learn what might be done to improve both equity and quality, and to do so by going beyond the traditional influence of politics in shaping post-secondary policies. 