

Monash University Honorary Degree ceremony 20 May 2010

I would like to thank the University for the honour they have done me in awarding me this Degree. I am conscious of what it means and will value it always.

I want to say something about the importance of universities, the value of the degrees that so many of you have achieved. It is obviously of advantage to you as individuals and to your families, but it is also much more than that: it is an advantage to the whole community when graduates from universities use the knowledge and experience they have gained.

With that advantage come obligations to yourselves, to your university and to the broader community. One obligation is to support the independence and strength of your own university. This is important because over the last 25 years Australian governments have successively reduced their share of funding for higher education. Universities have been forced to find substitutes for government funding. Consequences of that policy withdrawal are serious and not sustainable.

In 1986, Commonwealth payments accounted for 83% of total higher education revenue. By 2006 that had fallen to 41%. While overall Commonwealth funds had risen to some extent, universities had of course expanded very significantly. The shortfall was made good from the dramatic increase in student fees, rising from 2% of revenue in 1986 to 38% in 2006. In addition, universities have sought full fee paying students from outside Australia. While the greater student numbers will certainly require additional funds, as a proportion of total revenue, Commonwealth share has fallen from 62% to 32% for higher education and research in the 20 years after 1986. This has serious consequences.

Countries overseas have acted quite differently. Throughout the OECD region, expenditure on universities has risen 58%. In Australia, only 34%, much less than our own GDP (42%) Commonwealth expenditure on tertiary education, despite greatly increased numbers, in 2005 was no more than it had been a decade earlier.

The reduction in funding has occurred because governments have believed that if there is a need the market will fix it. If universities are forced to go to the market place to a much greater extent they will be closer to the community. This point of view can be much overdone. Academic freedom, freedom for fundamental research, is of critical importance to a vibrant society. There are many aspects of university life that will be gravely diminished if there is too great a reliance on the market place.

Today Australian universities are too dependent on funds from overseas students. Their numbers, the dependence universities have upon them, will influence future development and expansion in ways which universities think will maximise that opportunity but which are not necessarily best suited to our education development.

In making these changes, governments have forgotten that if a nation is to have a sense of purpose and pride in itself there are many things which must be done which the market will not provide. Support for sporting activities, for the opera and ballet, the arts generally, for fundamental research in science or the humanities - all these need support from government. The market place will not adequately support such activities.

While government support for universities has fallen greatly, government influence and even interference in the affairs of Australian universities is greater than it has been over fifty years. The Universities Commission was established to stand between governments and universities, its very purpose was to provide for orderly development of Australian universities and to avoid the prospect of government interference in higher education.

The abolition of the Universities Commission and increased governmental interference, clearly threaten the sustainability and independence of our universities, their academic integrity and freedom and their capacity to contribute, as I am sure they would want to contribute, to Australian life.

At a time when other countries recognise the need to increase funding to universities, to enhance education opportunities in their own countries, Australia is bucking the trend and will inevitably fall behind if governments continue current policy. If our institutions are to be ranked amongst the best, government support must be increased.

From many perspectives investment in education for Australians is more important than investment in bridges, dams or mines. A well educated

mind will find something useful to do and add value. The best investment for Australia is a first class education at all levels for Australians.

This was first recognised by the Commonwealth in the early years of the Menzies government. To expand and enhance Commonwealth funding for universities, Menzies appointed the Murray Committee in 1956. As a result, the Universities Commission was established. Recurrent grants were greatly increased and capital funding was introduced. This resulted in a more sophisticated approach and enabled Australia to meet critical needs, for example in the training of doctors and in medical research.

The abolition of the Universities Commission was a major setback to higher education in Australia. The current policies of withdrawal could never have been accomplished if the Universities Commission had remained. Government interference in the affairs of universities could never have expanded so significantly with the Commission standing between government and universities.

Careful planning for future needs was abandoned. We no longer produced enough doctors for our own needs. Different education revolutions added nothing to quality, they had one overriding objective, withdraw Commonwealth funds from education.

As we are beginning to see, overseas students are not a stable or a reliable source of funding for Australian universities. There will be increasing dangers in future years. The countries from which most students come are themselves improving the quality of their own education rapidly. For many students, Europe, the United States or Canada are preferred choices. With the higher value of the dollar, Australia is becoming more expensive and less attractive to overseas students.

Support from government will not reduce the need of universities to maintain close links with their own communities. Australian universities generally have deliberately involved themselves in community, city and national life. Monash is to be commended for establishing campuses in Malaysia and South Africa where a major objective has been to persuade Africans that the purpose of Monash's African campus was to educate South Africans for South Africa and certainly not to gain a passport to Australia.

A country like Australia should not be drawing graduates from the Third World, which still needs all the support that it can get because we are not providing enough places and education for our own people.

The last 20 years of affluence are behind us and rebuilding support for higher education will not be easy. As you move from university, collectively you can have a significant influence on community and even on government attitudes.

How to establish greater support for universities should be a high priority. As graduates moving forward in your lives, I hope you will interest yourselves in these issues and work to influence policy.