

# Labor's win levels the playing field for universities

JUSTIN BOKOR

---

By **JUSTIN BOKOR**

9:43PM MAY 24, 2022

Post-mortems on the causes of the Liberal Party's spectacular defeat have started in earnest. For the higher education sector, the implications will be profound.

The immediate impact may take time to crystallise but make no mistake: the aftermath of this election will reshape the policy dynamic of the sector for years to come.

To understand the impact, we need to start by reviewing the locus of the Liberal Party's electoral carnage. Like a supernova collapsing in on its core, this was an inner-city implosion. Professional, urban, highly educated electorates erupted into a sea of teal, green and red.

These electorates demanded action on climate change, integrity and gender equality. The teal candidates may have been a recent phenomenon, but these issues have been growing in prominence for years.

Rather than address these priorities, Scott Morrison and the right more generally have focused on connecting with voters in outer urban and regional electorates. Did they take inner-city electorates for granted?

Perhaps, because a key part of the strategy has been the anti-intellectual, anti-science culture wars – denigrating the so-called latte-sipping elites of inner-urban areas.

This strategy seems to have worked in the US. On Saturday, it blew up spectacularly in Australia. The rout was so comprehensive it should consign the approach to the waste bin of failed electoral tactics for the foreseeable future.

Recall the rejection of John Howard's Work Choices reforms in the 2007 election. The Liberal Party has feared major industrial relations reform ever since.

So, what does this mean for higher education?

The strategy that minimised the import of educated, inner-urban voters diminished, by extension, the electoral significance of higher education, both as a sector and a voter characteristic.

---

**Stay up to date** Sign up to the Higher Education weekly newsletter.

[Sign up](#)

---

Universities Australia, the Group of Eight and others have done their best to mount a case for the economic importance of universities, a degree-educated workforce and research. In many cases, they have been successful – the Coalition's creation of the Medical Research Future Fund is a case in point.

Overall, though, the sector has found itself to be a convenient scapegoat when government spending has needed to be cut, for example, in the mid-year economic and fiscal outlook cuts of 2017. Even in profligate times, when the government provided JobKeeper payments to firms including those whose profitability grew in the pandemic, universities received little succour from Canberra.

Will this change overnight, imbuing the higher education sector with coal-industry levels of electoral leverage? Unlikely, but expect the underlying dynamic of higher education policy to shift from its mildly to highly negative setting to a mildly positive outlook. Across the longer term, this should flow into a more favourable funding environment for domestic undergraduate students.

While Labor is in power, it will need support from electorates with high numbers of educated professionals; even more so if it relies on the support of Greens or teal crossbench MPs.

If the Coalition is returned to power at the next election or the one that follows, it surely only do so only on the back of a reclaimed broader coalition of voters that includes inner urban, highly educated electorates.

This will align with the continued growth of the services and knowledge economy, with its attendant demand for, and reward of, degree-educated workers from nurses to teachers, data analysts to artificial intelligence engineers.

In writing about the prospects for the higher education sector in the decade ahead, I have focused on the drivers of student-related income, which make up more than 70 per cent of sector revenue. In my report, [How Australian Universities are Positioned for the Post-Covid Rebound](#), I analysed the four key drivers of domestic student revenue: population growth rates, participation rates, the labour market and government policy.

Population, participation rates and the labour market are all conducive or highly conducive to growth in the decade ahead, as [Tim Dodd covered in these pages](#) last week. In my report, I left government policy as a question mark.

The government's fiscal position, with \$1 trillion of debt and budget deficits for years to come, will put pressure on all sectors that rely on federal funding including higher education. But last Saturday's election levels the playing field. From here on, the higher education sector should start policy and funding races at the same mark as the host of other sectors and interest groups seeking supportive policy settings.

This will not translate to windfall funding for domestic students. The fiscal constraints are far too tight for that.

Nor will it buttress lower-tier universities that are struggling to compete against higher-ranked universities and new entrants. Indeed, regional universities are likely to find the new policy environment, namely the lack of Nationals leverage, unconducive to their interests.

But as a whole the sector should find the policy dynamic neutral at worst, slightly positive at best. Added to conducive population, participation and labour markets, the opportunity is there to structure a constructive, prosperous decade ahead.

*Justin Bokor is an independent adviser and former director of EY and Monash University.  
justin.a.bokor@gmail.com*