

# New push to privatise Australian university system

By Mike Head  
7 December 2004

Urged on by media magnate Rupert Murdoch, the re-elected Howard government has renewed its offensive against the country's public universities, their academics and students. Once it became clear that the government would soon command a majority in both houses of parliament, education minister Brendan Nelson announced a series of initiatives to accelerate the privatisation of universities.

Abandoning his previous pretences of consultation, Nelson said the government was determined to see the creation of "teaching-only" universities, prevent industrial action by university staff, force all universities to offer individual work contracts, and outlaw the official collection of student union fees. To remove any legal obstacles, he proposed to take over constitutional control of universities from the state governments.

Nelson blandly defended this blueprint as providing increased "choice", "flexibility" and "world class" universities. But each of these measures has far-reaching and retrogressive implications.

The reduction of the majority of Australia's 38 public universities to "teaching-only" status will turn them into a predominantly third-rate tertiary education sector, catering for all but the wealthiest and brightest students. Faced with ever-increasing fees, working class students will be further discouraged from seeking higher education, in line with Nelson's previous statements that too many seek a university education, rather than a trade or less qualified employment. "Teaching-only" academics will be unable to perform critical research, blocking independent scientific and social inquiry.

University managements will be given a whip hand over their staff by banning all industrial action that could affect the release of student results. While Nelson claimed that this ban will protect the interests of students and other "third parties", its essential purpose is to strip academic and administrative staff of any power to resist the government's measures.

In place of management-trade union workplace agreements, the government wants universities to offer individual contracts tied to productivity and other "performance" criteria. This will further undermine academic freedom to pursue research and teaching that is not dictated by official and business interests.

Student dissatisfaction and political dissent will be stifled in

the name of combating "compulsory" student unionism. It will become impossible for student unions to finance protests or any other form of political activity, including the kind of rallies that saw thousands of students demonstrate this year against fee hikes.

The university vice-chancellors committee responded to Nelson's announcement by proposing a "compromise" whereby universities would continue to collect student union dues but prevent the funds from being spent on political activity. Their primary concern appears to be to ensure that the student unions can continue providing basic amenities, such as cafeterias, while at the same time assisting the government in silencing dissent.

Murdoch's *Australian* newspaper—which has long pushed for the deregulation of the university "market"—welcomed Nelson's new offensive. "The minister has demonstrated a talent for reform in his first term. All those who want to see Australia's universities performing to potential should hope he keeps going in his second," it stated in an editorial.

Nelson did not bother waiting for his earlier legislation—the so-called Higher Education Reform bill—to come into effect. It was pushed through parliament last December to raise government-subsidised Higher Education Contribution Scheme (HECS) student fees by 25 percent and allow universities to allocate up to 35 percent of their places to full fee-paying students. Nelson now wants to "revisit" these measures.

The government's underlying agenda emerged on November 18, when Nelson released a review of the national protocols for approval of new universities. The report, which was handed to the education minister before the October 9 federal election, but kept under wraps, suggests redefining the concept of a university in order to accredit a wave of new private colleges as universities.

Although Nelson presented the review, prepared by former University of Technology vice-chancellor Gus Guthrie, as the first step in a discussion process for next year, he has already drawn his own conclusions. "If Australia is to remain internationally competitive, we need to consider ways in which we can encourage more diversity in the higher education sector," he said.

Translated from official jargon, this means that in order to

meet the requirements of global capital, a range of domestic and overseas private institutions, business corporations and entrepreneurs must be allowed to move into tertiary education. To boost their marketing and revenues, their operations must be afforded the prestigious title of a university.

Within days, it was announced that Murdoch would join the board of trustees of a new private university to be established in Adelaide in 2006, backed by Carnegie Mellon University in Pennsylvania. South Australian Labor Premier Mike Rann, who is promoting the venture together with foreign minister Alexander Downer, described Murdoch's appointment as a "real coup" because of the media owner's "international clout and business prestige".

Trading on Carnegie Mellon's highly-rated concentration on computer science, corporate and public sector management and criminal justice policy, the project will be closely attuned to the needs of business and government. It will seek to attract a lucrative student clientele in Asia and the Middle East, as well as Australia. Other trustees include former deputy prime minister Tim Fischer, ex-World Trade Organisation director-general Mike Moore, Qantas chairwoman Margaret Jackson and Chung Kong Holdings deputy managing director H.L. Kam.

The state Labor government will introduce legislation next year to establish the university, allowing it to bypass the existing national protocols for recognising universities. It seems that the state and federal governments have undertaken, after months of secret negotiations with Carnegie Mellon, to subsidise the venture in order to guarantee that it is financially viable.

The South Australian initiative, which is seeking to draw students to a state that has attracted only a fraction—less than 5 percent—of the \$1.5 billion annual intake of international students into Australian universities—could trigger a bidding war, with various states competing with subsidies and tax concessions to entice private ventures.

Professor Glyn Davis, the incoming vice-chancellor of Melbourne University, one of the top-ranked schools, predicted that within a decade Australia would have more than 100 competing universities. Davis said the current era, in which a network of large public universities has engaged in wide-ranging teaching and complementary research, was rapidly ending.

The future would see a three-tier system, with only a handful of full, research universities offering post-graduate degrees, alongside small specialised schools and numerous vocational colleges, mostly privately owned. In an article published by the *Australian*, Davis urged university managers to collaborate with the government or risk being sidelined.

Davis conceded that the new world of private colleges would be driven by short-term profit concerns. "If American experience is a guide, the new generation of private providers has no ambitions to research. They want to make money by

opening teaching universities, focusing on high-volume fields such as business, media and some health sciences. This model works best in rented office space with online libraries and industry tutors."

Over the past eight years, the government has striven to create the financial and political conditions to implement a dual agenda of privatising the university system and forcing students to pay full fees. In its first budget in 1996, it slashed \$A1 billion (\$US774 million) from the public universities. Altogether, it has cut federal funding to only 40 percent of their incomes.

One result has been record levels of borrowing. The higher education sector is more than \$600 million in debt—about double the levels of five years ago. This debt, combined with a downturn in the overseas student market, is forcing many universities, particularly those less well-endowed, to implement sweeping budget cuts, eroding the quality of their teaching programs.

Over the past 20 years, both Labor and Liberal governments have made substantial inroads into public education at primary and secondary levels, encouraging private schools and shifting funding to them. Increasingly, parents have felt obliged to pay hefty private school fees to secure an adequate education for their children.

Utilising Labor's election debacle, the Howard government is now accelerating a similar assault in higher education, where currently less than 1 percent of Australian students attend a private university.

The pro-market path trodden since the 1980s, when the Hawke Labor government reversed the Whitlam government's 1974 abolition of university fees, is being taken to a new stage. In a new privatised environment, students paying full fees will become the norm, with the entire system subordinated to corporate requirements.

To contact the WSWWS and the  
Socialist Equality Party visit:

<http://www.wsws.org>