

# Australia: Labor government unveils free-market agenda for higher education

By Carolyn Robinson and Mike Head  
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Deputy Prime Minister and Education Minister Julia Gillard laid out the Rudd government's market-dominated agenda for higher education in a series of speeches to business and education leaders last month.

Gillard outlined a radical restructuring of universities and technical colleges with the introduction of what is essentially a voucher system. Together with the vocational education and training (VET) sector, universities will become "demand-driven". Instead of receiving their current basic funding grants, they will be paid according to the number of students they attract to their courses.

Although Gillard denied that the scheme was a voucher system, its effect will be no different. Students will not receive a set dollar entitlement (a "voucher") to be redeemed at the institution of their choice. But universities will have to compete for funds by enrolling as many students as possible in the most lucrative fields, with funding varying according to the type of course—arts, medicine, law, business management, nursing, education, science, etc.

Gillard's announcements further reveal the essential character of the Labor government's "education revolution". It consists of subordinating every aspect and level of education—from primary to tertiary—to the same market forces that have already led to its chronic under-resourcing and creeping privatisation.

Courses will be increasingly tailored to meet the narrow vocational requirements of employers, with hard-pressed students looking for courses that might provide them with a better chance of getting a job. Significant areas of study such as mathematics and philosophy will wither as short-term labour market needs dictate course offerings.

A proliferating number of private institutions will be able to "cherry pick" the most profitable courses. At the same time, some of the most under-funded universities, generally those in working class and regional areas, will have little choice but to merge or become "teaching only" institutions. As Monash University vice chancellor Richard Larkins predicted: "Not all will be able to stay as comprehensive

research intensive universities and some will be forced to merge."

Lecture and class sizes will grow. Over the next two years universities will be permitted to over-enrol by as much as 10 percent as a transition to full demand-driven funding by 2012. This will ensure that student-staff ratios, which soared from 13:1 in 1990 to 20:1 by 2006, will only worsen.

Gillard presented the government's plan as an expansion of higher education, setting a target of lifting student numbers by 300,000, and raising the proportion of 25-34-year-olds with a degree from 32 percent to 40 percent, by 2025. But she promised no extra funding, referring instead to "budgetary constraints," and has since declared that the global economic crisis had "pounded" the government's budget, making it "only responsible" to defer higher education spending.

The deputy prime minister also spelled out the government's support for a "student entitlement model"—a voucher by another name—in the VET sector. She said the Victorian state Labor government was "most advanced down this path, with assistance from the Commonwealth". In the Victorian system, government-run Technical and Further Education (TAFE) colleges and private providers fight each other for students, with private operators now permitted to undercut their public rivals by charging lower enrolment fees.

Gillard foreshadowed the merging of the VET and university sectors, so that universities would offer more vocational courses, and public and private VET providers would award undergraduate degrees, making the "education market" far more amenable to employer needs. She emphasised that "a key pillar of VET is a diverse system encompassing public and private providers tasked with meeting the existing and future skill needs".

The government is anxious to expand Australia's lucrative international student "industry" into the VET arena. Over the past three decades, fees charged to overseas students have become the country's third highest export earner, after iron ore and coal. Under Labor's plan, universities will

become even more dependent on full fee-paying overseas students to remain afloat. To drive this process, a new regulatory and quality agency will accredit higher education institutions, and carry out audits of standards and performance.

Under the banner of Labor's "education revolution," the Rudd government is seeking to achieve what the Howard government could not—a voucher system, long pushed by the corporate elite and right-wing think tanks like the Centre for Independent Studies, in order to dismantle public education in favour of a substantially privatised system.

As Gillard's language indicated—her speeches referred to education in terms such as "industry", "human capital", "investment" and "global competition"—the entire system will be driven by the need to ensure a sufficient "rate of return" to Australian big business. This insistence by the government on education-for-profit goes hand-in-hand with the continued patenting and private control of research and information. Both are inimical to the genuine development of human knowledge.

While some commentators claim the voucher-like system will lead to greater diversity and choice, the effect will be to narrow the options available to students. Increasingly, public tertiary institutions will only be able to offer those courses that are commercially "viable". Those areas of study that attract fewer students, generate little corporate sponsorship or are expensive to teach, will be the most vulnerable to cuts.

In the 1970s, the Whitlam government scrapped university fees, a move hailed by many as a move toward a more equal society. But little more than 10 years later the Hawke government re-introduced the principle of user pays. Labor first imposed fees on overseas students and then established the Higher Education Contribution Scheme (HECS), whereby most students pay fees through a loan, repayable after graduation.

This model opened the door to an ever more open push for privatisation. In 1999, David Kemp, education minister in the Howard government, proposed a university voucher system but the public outcry, including from students and academics, forced the Liberals to retreat. In 2002, Kemp's replacement Brendan Nelson launched a discussion paper, once more calling for a voucher system.

Although public opposition again compelled a backdown, the so-called Nelson reforms introduced full-fee paying student places, increased HECS fees and extended student loans to private universities and colleges. These changes shifted the cost burden further onto the backs of students and their families, leading to massive debts.

The education unions, including the National Tertiary Education Union (NTEU), have been fully complicit in the

entire process. Responding enthusiastically to Gillard's blueprint, NTEU national president Carolyn Allport expressed "some reservations" about demand-driven funding, but went on to note that the system would be phased in between now and 2012, giving universities some time to adjust.

The NTEU has had nothing else to say about the impact of Labor's agenda on working conditions and job security for its members, let alone on students and society as a whole. NTEU members, like school teachers, have been excluded from having any input into the Rudd government's plans, despite the fact that they are the ones who will be required to teach curricula that are ever-more focussed on specific business-related skills, at the direct expense of critical and creative thought.

Under conditions where the myths of the superiority of the market are being shattered by the global economic meltdown, with catastrophic implications for millions of ordinary people, the Rudd government is imposing market imperatives on higher education. The consequences have already been graphically demonstrated in child care, with the collapse of the market-driven ABC Learning empire. A similar fate threatens universities and colleges.

In opposition to the Labor government and the NTEU, the Socialist Equality Party insists that first-class higher education and training must be available to all, free of all fees. Education must be subject to the democratic control of teachers, students and working people, in order to meet genuine social needs and encourage the all-rounded intellectual nourishment of students, not satisfy the profit interests of the wealthy few.

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