

Australian higher education review points to further market restructuring

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In the lead up to last year's federal election, the Labor Party promised an "education revolution" as one of its key policies, yet it was unclear what that meant for the higher education sector. Some eight months after being swept into office, the Rudd government's Review of Australian Higher Education discussion paper sheds some light on the implications for universities and tertiary colleges.

The review panel, chaired by Professor Denise Bradley, is due to deliver its final report to deputy prime minister and education minister Julia Gillard in December, but the thrust of its contents has been set by the government's terms of reference. They make it clear that the "revolution" will accelerate the privatisation of tertiary education, subordinating the entire sector to the narrow skill and labour requirements of business.

The panel is charged with assessing whether the education system is capable of "contributing to the innovation and productivity gains required for long term economic development and growth" and "producing professionals for both national and local labour market needs". The terms of reference specify that universities must enhance their role in responding "to the needs of industry" and "employer demand".

A recurrent theme throughout the discussion paper is the development of "skill sets". Universities are being asked to respond more quickly and flexibly to the needs of industry by creating tailor-made degrees.

The government has said that its policies and funding decisions for the tertiary sector will depend on the results of its review. In the meantime, the Howard government's outright starvation of universities will continue. The higher education endowment fund, a pot of money set aside in the past two federal budgets to partially fund infrastructure projects, will not disburse

any money in 2008-09.

The discussion paper indicates that Rudd intends to exploit the effects of years of under-funding by further entrenching market forces, making universities ever-more dependent on student fees, business-related research grants and corporate sponsorship. The paper declares that "any effective and sustainable strategy for higher education needs to be founded on a recognition that universities will behave as enterprises in a market". Governments must "take account of the growing role of the private sector as well as recognising the increasing 'private' activities of all universities".

The document even calls into question the designation "public" to describe higher education: "Today, there are around 150 private providers operating in Australia and the public universities receive less than half of their revenue from the Commonwealth. Income from student fees and charges now represents an average 39 percent of institutional income. Indeed the term 'public' university now refers more to the historical circumstances at the time of their foundation rather than the nature of institutional funding."

There is no suggestion that this process should be wound back; instead, it is accepted as the starting point for further free market reforms.

From its opening page, the Bradley panel emphasises that higher education has become a "major export earner": "Overall education export earnings in 2007 were \$A12.5 billion (\$US11.1 billion), making it Australia's largest services export and third largest export sector (behind coal \$20.8 billion and iron ore \$16.1 billion)."

Universities now depend on international student fees for about 15 percent of their revenue, and for some institutions that proportion is more than 50 percent. The

report obliquely acknowledges considerable concern among academics about the implications of this trend, which has also seen universities chase profits by setting up campuses in other countries: “Many in the sector claim that reductions in public funding have forced universities to seek alternative revenue, to the point where there is now an over reliance on international student fees.”

Fees for university courses were first re-introduced by the Hawke government in 1986 starting with the imposition of fees on international students. This began a process that has increasingly prostituted education to commercial considerations, encouraging universities to become visa factories which supply qualifications—for a hefty fee—to students wishing to migrate to Australia. According to the OECD, Australia has the highest proportion (19.3 percent) of international students of any OECD country. Of these students, 65 percent are from Asia and 49 percent are studying management and commerce.

The report says nothing about the quality of education received by these students, or their living conditions. Instead, it offers some muted comments about providing “better quality and broader provision of languages” and attracting more advanced research degree students “in order to enhance our research links and to extend global regard for the quality of the Australian higher education system”.

The discussion paper refers vaguely to concerns about student participation in higher education. It cites research that more than 70 percent of full-time undergraduate students work, on an average of about 15 hours a week, and that many students are in “stressful financial situations”. Nevertheless, the report offers no proposals to overcome this stress and rejects arguments that abolishing Higher Education Contribution Scheme (HECS) fees would alter participation levels.

In the name of ensuring international competitiveness, the discussion paper points to the creation of a two-tiered education system, with a few elite institutions receiving research funding, while a larger group of institutions, possibly teaching-only, is charged with delivering the basic skills needed by industry, with as few resources as possible and a casualised and highly exploited workforce. The inevitable result will be an increase in inequality and disadvantage.

Although the document avoids definitive prescriptions, it voices concerns that few Australian universities in the top tiers of the international rankings—in 2007 only the Australian National University and the University of Melbourne were among the top 100 (57 and 79 respectively) in the Shanghai Jiao Tong University annual index—and quotes a leading academic who argues for greater concentration of investment in research in “high performing institutions”. The report specifically poses the question of whether “teaching-only” universities should be established.

The review panel comments that quite a few higher education providers do not undertake any research and yet attract students looking for professional qualifications. Many of the teaching staff at these private institutions are employed on an entirely casual basis, typically on 13- to 16-week contracts of employment, with no guarantees of work beyond the end of their contracts.

Because of on-going funding pressures, the panel suggests, the government could facilitate university mergers. Restructuring could occur “as has been the case in many other industries exposed to similar pressures” with institutions re-configuring to “achieve competitive advantages, increased critical mass to sustain key areas, or benefit from economies of scale”.

Such is the “education revolution”: reinforced commercialisation of higher education and a further dismantling of any notion of education as a basic right. Far from lessening the pace of the measures imposed by the Howard government to transform higher education into a profit-making “industry”, geared to the corporate sector, the Rudd government is intent on finding ways and means to accelerate them.



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