

Australian university review proposes student vouchers

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When the final report of the Rudd government's Bradley Review of Higher Education in Australia was released last month, the media headlines led people to believe that the report was proposing a multi-billion dollar injection of funds into the ailing university system. Although the recommendations speak of increased funding, however, this is conditional on further subjugating education to the same market forces that have created the current global economic disaster.

In keeping with the Labor government's terms of reference, the entire thrust of the report by Professor Denise Bradley's committee is to try to boost national competitiveness, with economic output the measuring stick. The document states: "The review was established to address the question of whether this critical sector of education is structured, organised and financed to position Australia to compete effectively in the new globalised economy."

For two decades, the higher education system has been systematically starved of funds and increasingly forced to depend upon domestic and international student fees, corporate sponsorship and private donations. Now the dire state of over-stretched universities is being used to justify a radical pro-market restructuring.

Completed six months after an earlier discussion paper (see "Australian higher education review points to further market restructuring"), the report declares that in order to raise student numbers, "a more deregulated system is necessary". The most crucial recommendation is to transform university funding by introducing a voucher system that will require universities to compete for students. Instead of universities receiving funds to provide courses, students will be given vouchers to buy whatever

courses they choose to study. Vouchers will necessarily lead to universities enrolling massive student numbers in the seemingly most popular courses, those oriented directly to the job requirements of employers and potentially lucrative careers.

The voucher model, which the previous Howard government twice attempted to impose, is also designed to drive mergers, "rationalisations" and greater use of Internet-based courses among the 38 public universities. The report states: "Australia may need fewer university campuses in regional areas and more higher education campus points, established to meet a need for a period of time and closed when the specific need is met." Analysts say the plan could call into question the viability of a dozen universities in remote, regional and outer-suburban areas.

The press has presented the proposal as a win for access by larger sections of society to higher education. Under the title, "Billions for a Clever Country," the *Sydney Morning Herald* reported: "University financing would be deregulated under a demand driven students' entitlement approach from 2010. Under this model every student qualifying for admission would be guaranteed a subsidised place."

In reality, the outcome will be less real choice, huge class sizes and a vocationally-driven system. There was an early taste of this when two rural-based universities, Charles Sturt and Southern Cross, announced plans to merge for market reasons on the day the report was released. Charles Sturt vice chancellor said the merger would "allow us to fully exploit the potential of digital technology to deliver educational opportunities across regional Australia, nationally and internationally, particularly in the Asia Pacific region in a way not seen

before".

A less-publicised aspect of the proposed scheme is that as more private education providers become accredited, students will be permitted to take their "learning entitlement" vouchers to those institutions as well. In other words, there will be a further privatisation of education, inevitably driving up fees and allowing private operators to cream off the most profitable courses.

The report recommends that universities be allowed to declare some of their course offerings as full fee-paying only, with no government cap on these fee levels. Students undertaking such courses will still qualify for government loans under the FEE HELP system. Macquarie University vice chancellor Steven Schwartz, an advocate of de-regulating all fees, commented: "This could lead to a system in which prestigious universities, which are best placed to attract private students, receive high private fees while other universities have their incomes capped."

Other university chiefs have also seized upon the pro-market logic of the Bradley report to urge the Labor government to lift all fee caps, including those set under the subsidised Higher Education Contribution Scheme (HECS), under which most students pay off their fees for years after they have completed their degrees. University of New South Wales vice chancellor Fred Hilmer claimed that partial deregulation would expose universities to unacceptable financial risks. His University of Melbourne counterpart, Glyn Davis, who co-hosted Prime Minister Kevin Rudd's "2020 summit" last year, said universities had fears about the failure to embrace price deregulation.

The Howard government attempted to deregulate the sector in 1999 (under Education Minister David Kemp) and again in 2002 (under Brendan Nelson). Each time there was a public outcry, including from students and academics, and the schemes were abandoned. In the *Australian*, Luke Slattery reported that Nelson was enthusiastically "gob smacked" by the report's "bracing urgency about the need for structural reform to meet competitive challenges in the global knowledge economy".

While Bradley's committee expressed concerns about the financial pressures on students, they proposed no abolition or reduction of fees, and no increase in the base

rate of the government's youth allowances, which are far below the official poverty line. Instead, they suggested allowing students to earn more money—up to \$400 a fortnight—before losing benefits. One recommendation will exclude more students from eligibility by scrapping provisions that allowed them to be classified as independent of their parents' income after working for 18 months.

The report recommends that by 2020, 40 percent of those aged between 25 and 34 should have at least a bachelor's degree. This would be a huge increase—nearly 38 percent—in just a decade from the current level of 29 percent. Yet, the proposed 10 percent rise in funding for teaching and learning programs would fall far short of what is necessary to reduce staff-student ratios, which have worsened from 12.9 in 1990 to 20.5 in 2006. Writing in the *Australian*, University of Melbourne higher education professorial fellow Vin Massaro estimated that about \$1 billion per annum would be required to return to the 1990 levels, yet the report recommended only \$1.8 billion over the first four years.

The Bradley report underlines the agenda behind the "education revolution" promised by the Labor government. The revolution involves further privatisation of all levels of education. Universities will be pushed further down the road of behaving as businesses in a market, while being required to focus primarily on providing the narrow skill sets demanded by corporate Australia.



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