

# Labor government continues to starve Australian universities

Carolyn Robinson  
9 July 2009

The National Tertiary Education Union (NTEU), which covers academics and university staff, joined media commentators in May to claim that the Rudd government's second budget represented "good news" for universities.

NTEU national president Carolyn Allport issued a media statement declaring that the government had committed an additional \$6 billion over four years and provided a 2.5 percent increase in core learning and teaching grants, as well as a "more sustainable" indexation for university grants.

In reality, the budget will drive universities even further down the path of market-driven privatisation and commercialisation. The number of students per staff member—which has almost doubled since the 1980s—will rise even more as universities try to offset funding shortages by enrolling thousands of extra students, particularly full fee-paying international students, and by seeking corporate sponsorship and research funding.

After imposing a year of virtually zero recurrent funding growth on severely stressed universities during 2008-09, the Labor government has allocated almost no increases for the next two years—despite a planned influx of 50,000 extra students over four years.

While the Labor government has bailed out the banks, car industry and developers to the tune of billions of dollars, it has used the global financial crisis to abandon its 2007 election promises to substantially boost higher education. In the lead-up to the budget, education minister Julia Gillard declared that it was

"only responsible" for the government to spend less than expected on higher education, because the economic slump had "pounded" its projections.

Analysing the budget, Vin Massaro, a professorial fellow in higher education at Melbourne University, warned that student-staff ratios would worsen, affecting quality, which would inevitably continue to fall. He estimated it would cost \$1.4 billion a year to return student-staff ratios from the 2006 level of 20.5:1 to the 1990 level of 12.9:1, or \$775 million to return to the 1996 level of 15.6:1.

In real terms, federal funding per subsidised student place declined from \$12,335 in 1989 (2008 dollars) to \$10,802 in 2008 and, according to the budget papers, will be less in 2010 than in 2009. This means that staff workloads and class sizes will keep increasing, face-to-face contact hours will drop further, and academics will find it more difficult to undertake scholarship and research. Increasingly, lectures and tutorials will be replaced by on-line modules.

Only by 2012-13, does the budget provide for a 5 percent real increase in funding per student. This promise is meaningless however, because it is conditional, like all the budget calculations, on the dubious assumption that the Australian economy will quickly recover and produce record growth within three years.

Writing in *Campus Review*, Simon Marginson, professor of higher education at Melbourne University, concluded that, "ultra cost pressures, worsening student-staff ratios, forced growth of international students will continue to worsen for the next three years at least". He

calculated that even in the fourth year, 2012-13, the additional funding of teaching and research, after taking budget offsets into account, would amount to \$811 million, or just 37 percent of the level recommended by the government's own Bradley Review of higher education.

Marginson drew a parallel to the post-1987 so-called Dawkins era, named after the minister for education in the Hawke Labor government, which cut per capita funding by 10 to 15 percent, starting the two-decade slide in staffing ratios. Although Marginson did not mention it, that government also re-introduced student fees and imposed full fees on international students. International students have since become Australian capitalism's third highest export earner, generating an estimated \$15 billion a year in revenues.

Under the 1996-2007 Howard Liberal government, universities were further financially squeezed by a funding indexation formula that restricted annual increases to about 2 percent, while their main cost, salaries, rose by about 4 percent per year. The Rudd government's indexation formula, which will be delayed until 2011, will link funding to a labour price index, but will also require annual productivity gains. Because universities have few alternative means to cut spending, except by slashing labour costs, these productivity measures will mean even more intensive staff workloads.

There was another shock in the budget. Finance minister Lindsay Tanner said there was just \$2.4 billion left in the Education Investment Fund, after \$2.5 billion was stripped out to pay for so-called clean energy initiatives. Last year, Gillard claimed that the fund would grow to \$11 billion by the end of 2008-09, allowing its dividends to be ploughed into higher education. Instead, Labor's first two budgets have seen the fund shrink from the \$6 billion inherited from the Howard government's Education Endowment Fund.

In a budget briefing paper to its members, the NTEU admitted that all the core learning and teaching grants would also be conditional on universities meeting as-yet-unspecified performance targets, and that the Rudd government intended to negotiate "funding compacts"

with individual universities. These contracts are likely to include measures to tailor university activities to the specific needs of business.

The NTEU briefing paper welcomed the government's "commitments to delivering the most important reforms proposed by the Bradley Review". Those "reforms" feature the introduction of what is essentially a voucher system, whereby universities will become "demand-driven"—they will be paid according to the number of students they attract to their courses. Many universities will compete to enlarge their enrolments by offering courses that are vocationally-oriented, attract corporate sponsorship or are cheap to teach, at the expense of less lucrative but critical courses such as history, the arts, mathematics and philosophy.

In her media statement, NTEU president Allport reiterated the trade union's support for the government's entire "Education Revolution" agenda, which involves restructuring the education system—primary, secondary and tertiary—to better satisfy the needs of the corporate elite. "Universities will be better placed to provide a quality education for the next generation of highly skilled workers, a critical part of the nation building agenda. It means that the Australian economy will reap the rewards of increased investment in higher education," Allport said.

This statement illustrates the NTEU's political role: to subordinate its members to the plans of the Rudd Labor government, and thereby assist the government in imposing the burden of the global financial crisis onto the backs of university staff and the working class as a whole.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**