

Australian government plans sweeping privatisation of higher education

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A report commissioned by Australia's Liberal-National Coalition government has called for the intensification of the previous Labor government's pro-market "education revolution" throughout universities and other tertiary colleges.

Under the report's recommendations, released last week, former Labor Prime Minister Julia Gillard's so-called demand-driven funding system will be extended to private profit-making providers, allowing them to undercut the public universities. It will also cover sub-bachelor and university preparation courses, facilitating a proliferation of cut-price offerings.

Labor's market-driven "revolution," which forced universities to compete with each other to attract students, while slashing jobs and costs, has laid the groundwork for a further stage in the assault on higher education. Corporate teaching-only operators employing lower-paid teachers, with even higher workloads and worse conditions than university staff, will be able to win public funding by offering cheaper courses than universities.

The government's review of Labor's "demand-driven" funding system, introduced fully in 2012, was conducted by former Coalition education minister David Kemp, and Kemp's ex-adviser Andrew Norton.

In 1999, under the Howard government, Kemp spearheaded a drive to introduce an education voucher system that would have decimated the public universities by opening up lucrative markets for low-cost, profit-making private colleges. Now, thanks to the framework provided by the Labor government, the current government is preparing to achieve a similar outcome.

"The demand-driven system is a policy advance that needs to be preserved and enhanced," the report stated, declaring that its extension to private providers and

Technical and Further Education (TAFE) colleges would "give greater scope for new models of higher education delivery, and create more competition with the public universities."

A similar "fully contestable" marketplace has already had a devastating impact on publicly-funded TAFE colleges, especially in the state of Victoria. Thousands of TAFE teachers have lost their jobs, student fees have skyrocketed and TAFE campuses have been forced into mergers.

Kemp and Norton declared that Labor's funding scheme had begun to meet its "important goal" to "help meet skills needs and lift productivity in the economy." This highlights the underlying purpose of Labor's "education revolution"—to subordinate education at every level, from schools to universities, to the requirements of the corporate elite.

Students, already burdened with a mountain of debt, will also face higher fees and loan repayments. The report proposed that students bear the cost of extending funding to private operators, via "a corresponding increase in the student contribution amount supported by the HELP loan scheme."

The Gillard Labor government paved the way for this cost-shifting onto students, by turning student start-up scholarships into loans last year. More fundamentally, the Hawke Labor government began the imposition of ever-heavier fees on students in 1987, when it abolished free tertiary education and introduced the Higher Education Contribution Scheme (HECS)—since been re-branded as the Higher Education Loan Program (HELP).

Education Minister Christopher Pyne has not yet announced the government's response to the report's 19 findings and 17 recommendations, but the proposals are entirely in line with the thrust of the government's

terms of reference for the review.

Hailing the report, the *Australian Financial Review* commentator Tim Dodd gave an indication of its far-reaching implications. “David Kemp and Andrew Norton have planted a Trojan Horse inside the citadel of Australia’s university system,” he wrote. The plan would “cross the Rubicon” to fund higher education on a “teaching-only” basis, rather than paying universities to conduct research.

As well as eroding the traditional role of universities as places of scholarship and research, this transformation will accelerate the deterioration of conditions for students and staff alike.

Under Labor’s “education revolution,” enrolments rose, particularly in areas identified as “labor market shortages,” (notably health and mining-related engineering) but real funding per student dropped, placing intense pressure on the already chronically-underfunded public universities.

Institutions were compelled to undercut each other to secure enrolments, with any fall-off in enrolments in less commercial areas, such as humanities and languages, resulting in course shutdowns and retrenchments.

Under Labor, the number of higher education students rose to 577,000—up by about 100,000 from 2009—but at the expense of bigger class sizes and heavier staff workloads. By 2012, student-staff ratios rose to a record high of 24:1, substantially higher than the 20:1 ratio in 2006—the last full year of the Howard government—and almost double the 13:1 ratio of 1990.

At the same time, university staff were increasingly casualised via enterprise agreements with the National Tertiary Education Union (NTEU), which collaborated with university managements in imposing Labor’s regime. By the NTEU’s own estimates, of the 200,000 employees of public universities, only 68,000 now have continuing employment. Another 45,000 are on fixed-term contracts, while 86,000 are “regular casuals.”

Over the past three years, the union has stifled the resistance of its members to job cuts at many universities, including Sydney, Macquarie, NSW, Western Sydney, Bond, Victoria, La Trobe and the Australian National University. These job losses increased under the impact of the Labor government’s announcements of \$2.3 billion worth of funding cuts in the 2013 budget, which Prime Minister Tony Abbott’s

government is implementing.

The NTEU is now trying to cover up this record. In response to the Kemp-Norton report, the NTEU said it would “threaten the viability of our public universities” and “make university study unaffordable for many Australians,” but remained completely silent on Labor’s role.

Likewise, the National Union of Students president Deanna Taylor criticised the switch from scholarships to loans, saying added costs would be “a horrific outcome for students who are already struggling financially”—without mentioning that it was Labor’s decision to scrap the start-up scholarships!

Having directly propped up the Labor government for three years from 2010 to 2013, as it imposed its “revolution,” the Greens are also trying to cover their tracks. “The Abbott government is already proposing to rip \$6.4 billion out of universities over the next four years,” Greens Senator Lee Rhiannon said, suppressing the fact that these cuts were drawn up by the Labor government.

The same goes for the pseudo-left groups, such as Socialist Alliance and Socialist Alternative, whose members now occupy positions in the NTEU and NUS leaderships. At NUS rallies last month, they joined Labor and the Greens in promoting the fraudulent claim that another Labor-Greens government would represent a progressive alternative to the Abbott government.

At the Melbourne event, for example, NUS national education officer Sarah Garnham, a member of Socialist Alternative, did not mention the minority Labor government’s record. Instead, she declared that students had to protest “until we get this Abbott government out.” In other words, Socialist Alternative’s perspective is the return of a Labor government.



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