

# A socialist perspective to fight Abbott's budget

International Youth and Students for Social Equality

21 May 2014

*This statement will be distributed at National Union of Students protest rallies against the budget today.*

The cutbacks to universities in the Abbott government's budget represent a qualitative leap in the assault on education. Inequality in what is already a two-tier system will widen even further, with the elite, well-funded campuses transformed into the province of the rich and other students funnelled into second-class, under-funded institutions. These processes will be compounded by the vast expansion of private colleges through the extension of the Higher Education Contribution Scheme (HECS) to select courses provided by Technical and Further Education (TAFE) colleges, private institutions and "sub-degree programs."

In less than two years, HECS will be deregulated, allowing universities to boost fees to levels paid by international students—up to \$30,000 or \$40,000 at elite universities. In 2016, students will begin paying their HECS debt once they earn over \$50,638, compared with the current threshold of \$53,345. The interest rate on outstanding debt will rise to 6 percent, or the government bond rate, rather than the consumer price index, currently at 2 percent. Postgraduate students will have \$1,700 to \$3,900 added to their HECS debt, depending on their course. The lifetime limit on debt will be removed and outstanding amounts extracted from a deceased former student's assets.

The time taken to repay student loans is expected to increase to nearly a decade, amid declining job opportunities and falling incomes. First-year graduate employment rates are predicted to fall from 76.4 percent in 2013 to 69.9 percent in 2017, and salaries from 77.8 percent to just 74.3 percent of average male weekly earnings over the same period.

Working class youth will bear the brunt of the budget

attacks at every level. Following Labor's funding cuts to TAFE, the Abbott government will remove the "Tools for Trades" allowance and force apprentices to also take on thousands of dollars in debt to pay for their supplies. Under the "learn or earn" welfare measures, any person under 30 who loses their job will be denied unemployment benefits for six months, then forced into work-for-the-dole schemes. Under conditions of growing unemployment, thousands of youth—including no small number of highly qualified university graduates—will be left utterly destitute.

This savage program of austerity is linked to dragooning youth into the military. Though Labor has cynically opposed cuts to Medicare and education, they fully support Abbott's increase in military spending of \$2.3 billion, to 1.8 percent of GDP, and the reintroduction of the military "Gap Year" for people aged 18–24. With military service offering pay of \$45,000 a year, the conditions are being established for what can only be described as economic conscription.

In the face of this devastating assault, the bankrupt perspective provided by the National Union of Students (NUS) and the pseudo-left group Socialist Alternative at today's Day of Action is to pressure the Labor Party and Greens to block the budget in the Senate. At Sunday's "March in May" rally in Perth, NUS representative and Socialist Alternative member Emma Norton declared: "I think the Greens and the Labor Party have made important steps forward in denouncing this budget, the harshest budget in generations... We need Labor and the Greens to retain the spine that it seems they have recently grown, and use every parliamentary and extra-parliamentary action to stop this budget from going through."

The NUS and Socialist Alternative clearly hope that students have developed mass political amnesia. Just 12

months ago, the Greens-backed Gillard Labor government imposed \$2.3 billion in funding cuts to universities, following its early lifting of enrolment caps in order to create a “competitive market” for student placements. The logical outcome of Labor’s agenda is the current deregulation of fees, tearing up any pretence of equality surrounding HECS.

The Abbott government’s budget is the culmination of a protracted and bipartisan assault on all the social rights of the working class, of which education is a key component. The dismantling of free tertiary education began when the Hawke-Keating Labor government introduced fees for international students, followed by HECS fees for domestic students in 1989.

The introduction of HECS established the basis for the massive ramping up of student fees by subsequent Liberal and Labor governments, from \$1,800 per year to \$10,085 in 2014 for “band three” subjects like law and medicine. The conservative government of John Howard introduced the three “band” system and increased fees by up to 300 percent. The Rudd and Gillard governments maintained the increases and set the framework for the full deregulation of fees. The truth is that if Labor was still in government it would be imposing virtually identical policies to Abbott.

So sensitive are the various pro-Labor and pro-Green tendencies within the NUS to any critical review of this political history, that Sarah Garnham, the NUS education officer, and also a member of Socialist Alternative, refused a request by members of the International Youth and Students for Social Equality to address today’s rally.

It is vital that students understand that the “user-pays” system for university education is part of a far broader agenda, carried out over three decades in the interests of the financial and corporate elite, which Labor, Liberal and the Greens all represent. Every social reform established following World War II has been under sustained attack in order to slash corporate taxes, and the taxes on the income and wealth of the richest sections of society.

In the wake of the 2008 financial meltdown, spending on social services is considered an intolerable impost on the ability of a financial aristocracy to maintain and accumulate ever more obscene levels of wealth. The mantra of Treasurer Joe Hockey, that the “age of entitlement is over”, is the expression of determination

of the ruling elites internationally to make the working class pay for the breakdown now wracking global capitalism.

In Greece, where youth unemployment is 60 percent, basic provisions such as health care are being denied to millions, as a result of the dictates of a financial troika consisting of the European Union, International Monetary Fund and the European Central Bank. The same assault is underway in the US, college students already pay astronomical fees and workers face mass unemployment and lack access to essential services and utilities. In the UK, university fees range as high as £9,000 and the public health system is being dismantled.

In order to fight these attacks, students must turn to the working class on the basis of a socialist and internationalist perspective. The fight for free high quality education—a basic necessity in modern life—must form part of a program of fundamental social rights which can only be secured through the overthrow of the failed capitalist system. This is the program fought for by the International Youth and Students for Social Equality (IYSSE).



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