

Former Australian Labor minister endorses university fee deregulation

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In comments published in the *Australian* last week, John Dawkins, the education minister in the Hawke Labor government of the late 1980s, declared his support for the attempt by the Liberal-National Party Coalition government to deregulate university fees. He appealed to the Labor Party to abandon its opposition to the government's legislation and vote for it in the Senate, the upper house of parliament.

The education policies of Prime Minister Tony Abbott's government, which were tabled in last May's budget, centre on lifting the current caps on student fees and allowing universities to dramatically increase them. Degrees, which already cost students between \$6,000 and \$10,000 per year depending on the area of study, are predicted to soar by tens of thousands of dollars if deregulation is enacted. The budget also included provisions for tripling the student debt interest rate to six percent, and lowering the annual income threshold at which former students are required to pay their fees.

To this point, the Education Bill has been blocked in the Senate, where the government does not have a majority. The "cross-bench" minor parties and independents whose votes the government needs have refused to back it because of the widespread hostility toward the measures.

Dawkins' declaration of support for deregulation underscores the cynical character of Labor's refusal to pass the legislation and its attempt to posture as an opponent of increasing student fees. In reality, the Coalition's measures are a continuation of a bipartisan, decades-long assault on higher education.

As education minister in the Hawke Labor government, Dawkins oversaw the introduction in 1989 of the Higher Education Contribution Scheme (HECS), a fees-based government loan system. The Whitlam Labor government had abolished university tuition fees

in 1974 as part of its efforts to contain and suppress a rising movement of the working class.

The Hawke Labor government's restructuring of higher education was part of a broader agenda. With the full support of the trade unions, Labor carried out an assault on wages and working and the privatisation of public assets.

Under the Hawke and Keating Labor governments, HECS fees rose from \$1,800 in 1989 to \$2,454 per year by 1996. The Howard Coalition government between 1996 and 2007 further raised fees, and introduced differential payment rates for university courses.

In 2009, the Rudd Labor government, in which Julia Gillard served as Education Minister, outlined a demand-driven model for funding to universities. Rather than receiving basic funding grants from the government, the new system tied the allocation of funds to the number of students each university was able to attract.

The move laid the basis for a deregulated market, with universities competing against one another for new enrollments. The ratios of lecturers and tutors to students rose dramatically. The logical next step was the deregulation of fees, with different universities charging different rates.

In its 2013 budget, the Greens-backed minority Gillard Labor government made clear moves toward increasing fees by slashing \$2.3 billion from university funding. Among the cuts was the transformation of a start-up scholarship of \$2,000 into a loan, the abolition of a 10 percent discount for those who paid their fees up-front, along with a host of other cuts.

Most seriously, the Labor budget included a 2 percent "efficiency dividend," or cut, on university funding over the year 2013–14 and a further 1.25 percent cut for 2014–15. The measure resulted in universities slashing

\$900 million from their collective budgets, across the country.

The successive funding cuts have fuelled round after round of sackings, the ever greater casualisation of the university workforce, and the dismantling of student services. They have also prompted the university administrations to increase their demand for the ability to charge far higher fees.

In the context of more than 25 years of attacks on the right to a higher education by successive Labor and Coalition governments, Dawkins described fee deregulation as a “small and unremarkable reform.” He compared the difficulties confronted by the Abbott government in passing their education “reforms” with those faced by the Labor government in the late 1980s. At the time, the Coalition parties did not support the introduction of HECS and Labor was forced to make a deal with minor parties to ensure it was passed through the Senate.

Dawkins advice to the Coalition and Labor today was that they should agree on a version of the Education Bill allowing the Abbott government to walk away from its protracted negotiations with the minor “cross-bench” politicians. Referring to the deadlock in the Senate, Dawkins asserted that the “worst of all outcomes for the sector and the country,” would be a “motley collection of concessions... designed only to secure passage of a mishmash of changes.”

Dawkins wrote: “On this occasion, the crossbenchers seem to have no basis on which to negotiate a coherent approach, and the ALP ought to engage with the government to negotiate the further reform of higher education that is a policy that Labor has basically owned for nearly 30 years.”

The real record of the Labor Party’s education policies exposes the claims by the National Union of Students (NUS), and its supporters among the various pseudo-left organisations such as Socialist Alternative, that fee deregulation can be prevented by the return of a Labor government.

Labor’s current position is not motivated in any sense by opposition to the increase in student fees, but rather is driven by their concern about being associated with a deeply unpopular measure. While Labor politicians have appeared at protests criticising deregulation, Dawkin’s column points to the prospect of the two parties coming together to meet the demands of the

corporate elite that ever greater costs are imposed on students seeking to gain a degree.



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