

Australian government plans to repackage university cuts

Eric Ludlow

26 October 2015

The Liberal-National government of recently-installed Prime Minister Malcolm Turnbull announced on October 1 that it would delay planned cuts to university funding until the beginning of 2017, after the next scheduled federal election.

Led by Turnbull's predecessor, the Coalition government was unable to push fee deregulation—leading to far higher student fees—through the Senate, along with other key austerity measures, because of intense public opposition. Under Turnbull's leadership, the government will now seek to draw up an alternative cost-cutting package.

Announcing the shift, new Education Minister Simon Birmingham declared that he would consult with "stakeholders," including senators and the staff and student unions, to prepare a revised plan. In the meantime, the current inadequate funding would continue during 2016.

First unveiled in the 2014 budget, the government's legislation sought to inflict a 20 percent cut to university undergraduate student funding, while allowing universities to charge the same exorbitant fees to domestic students as are paid by international students. At some institutions, fees could rise to as high as \$30,000 per year for certain courses.

Under Abbott, the bill was twice voted down in the Senate. The Labor Party, the Greens and independents cynically postured as defenders of university education by opposing the legislation, seeking to divert the widespread opposition among students and working people back into the parliamentary framework.

The National Union of Students (NUS) hailed the government's new tack as a victory, proclaiming: "Students Win: Deregulation Defeated." This is a fraud on many levels. In the first place, the government remains intent on pushing ahead.

In an interview with an Adelaide radio station, Birmingham emphasised that "the policies remain the same, aside from a one-year deferral." The delay would provide "time to consult and listen about what is achievable through the Senate."

Senator Zhenya Wang of mining magnate Clive Palmer's Palmer United Party has called on the government to deregulate fees at "trial" universities, or allow universities to "opt in" to fee deregulation. Another senator hailed by the NUS as a higher education champion, independent Nick Xenophon, said he would support short-term increases in university fees while a review was undertaken.

In announcing the government's move on October 1, Birmingham indicated the ideological rationale that will be used to justify sweeping attacks on the right to university education. He noted that while Higher Education Contribution Scheme (HECS) loans to students for fees are currently interest-free, students at private providers pay interest rates of 20 to 25 percent. Invoking the banner of "fair access," he said these rates should be extended to university students.

The NUS claimed the government's temporary backdown was the result of a "two year long campaign with students across Australia, the National Tertiary Education Union (NTEU) and the larger Australian community against these so called reforms."

The reality is that opposition among students was wound down and demobilised by the NUS and the NTEU, and channelled back behind the perspective of electing another Labor government, once more backed by the Greens. Speakers from the Greens and Labor were invited to address the rallies and pose as defenders of university education.

Like the NUS, NTEU national president Jeannie Rea declared: "Fortunately Labor, the Greens and cross

bench Senators Xenophon, Lazarus, Lambie, Muir and Wang listened to the public reaction and voted down the government's unprincipled, unfair and unsustainable legislation."

In reality, it was the previous Labor government that laid the groundwork for the Coalition's offensive, both by slashing university funding and by imposing the "Education Revolution," which led to universities destructively competing with each other to attract students to lucrative courses.

Prime Minister Julia Gillard's minority Labor government, supported by the Greens, inflicted the largest-ever single cuts to university education—\$2.3 billion—in May 2013. Between 2011 and 2013, when it lost office, Labor sliced a total of \$6.6 billion off higher education and research. The Greens had voted for all Labor's budgets, including the higher education cuts, and thus are politically responsible for them.

In 2012, Labor carried out the deregulation of course enrolments while uncapping the number of places universities could offer to students, resulting in universities slashing "unprofitable" courses. This market-driven system is the precursor to the deregulation of fees.

Historically, it was the Hawke-Keating Labor government of 1983 to 1996 that initiated the offensive against tertiary education, overturning the abolition of fees, which began in 1974, and introducing the HECS loan scheme.

The NUS and NTEU are utterly indifferent to the crisis confronting students and staff as a result of decades of cost-cutting. The NUS says that education must "remain affordable and accessible." This sounds like a cruel joke to the graduates who leave university burdened with thousands of dollars of debt and little prospect for decent employment. Since HECS was introduced in 1989, fees have increased from \$1,800 per year to up to \$10,000.

According to Universities Australia, government funding per student declined, in real terms, by 14 percent from 1994 to 2012. Federal government data shows that in 1994 students outnumbered teaching staff by 14.2 to 1. By 2007, when the Rudd Labor government took office, the ratio reached 20.8, and by 2012 it was 24.

Starved of government resources, universities have become increasingly dependent on corporate

funding—tying them ever-closer to the direct needs of the financial elite—and on enrolling full fee-paying international students, who have become nothing but cash cows. International education today generates about \$18 billion a year, making it the country's third largest export earner.

Since 2006-07, the number of international students has risen by 43 percent to 328,659, all paying three or four times the fees paid by local students.

Neither the NUS nor the NTEU has commented on the conditions facing these students, who now make up 25 percent of university enrolments nationally. Many of them are forced into exploitative casual work for as little as \$10 an hour.

The assault on students and universities is just one component of the offensive being mounted against health, welfare, education, pensions and other basic social services in Australia and internationally.

The backroom coup that installed Turnbull followed frustration within ruling circles over Abbott's failure to carry out sufficiently draconian US- and European-style austerity measures. Amid a deepening crisis of world capitalism, which is hitting the Australian economy particularly through China's slowdown, the demands of the corporate elite are intensifying.

Typical was the *Australian Financial Review's* October 4 editorial entitled, "University deregulation must survive the change of government." It insisted: "If Malcolm Turnbull's government is serious about facilitating a flexible and agile economy, persevering with deregulation of the university sector should remain at the centre of its agenda."



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact