

Ex-Australian Labor minister calls for deregulation of university fees

Mike Head

29 September 2016

Former education minister John Dawkins, a leading figure in the Australian Labor government of 1983 to 1996, this week called for a sweeping pro-market restructuring of tertiary education, which would include allowing universities to charge unrestricted student fees.

Dawkins advocated reduced public funding of universities, cutting enrolments and unspecified “efficiency” measures. He also proposed the introduction of teaching-only universities. These would be second-class institutions designed to provide vocational courses online or with massive class sizes.

The ex-minister appealed for the Labor Party to “seek common ground” with the Liberal-National Coalition government to develop a bipartisan policy to further slash education spending and effectively deny access to higher education to working class youth.

Dawkins’ intervention came amid mounting pressure by the corporate elite on Prime Minister Malcolm Turnbull and his government to find ways to make deep cuts to education, welfare, health and other essential social spending. So far, since barely surviving the July 2 election, the government has only passed one budget-cutting measure, a so-called Omnibus Bill to reduce spending by \$6.3 billion over four years.

That bill, which relied on Labor’s support, contained a host of cuts to universities and students, as well as to welfare, but amounted to only a fraction of the annual budget deficit of almost \$40 billion. The financial markets have demanded that the government must quickly demonstrate its capacity to eliminate the deficit by 2020-21, or Australia will be stripped of its AAA credit rating.

Dawkins’ call underscores the push in ruling circles for Labor’s agreement on the Omnibus Bill to form part of a wider bipartisan front to impose severe

austerity measures, particularly targeting education, health and welfare. Many of these have remained blocked in parliament since 2014 because of intense public hostility to them.

The ex-minister’s initiative was outlined in a letter to Vicki Thomson, the chief executive of Australia’s Group of Eight “elite” universities. Dawkins praised former Coalition Education Minister Christopher Pyne—whose 2014 bill to lift all caps on student fees failed in the Senate. “At least Christopher Pyne had a go at raising important issues such as the need for competition in the sector,” he said. “It is a pity that he was unable to secure political consensus for urgent problems.”

Underscoring its significance, Dawkins’ letter was trumpeted on the front page of the *Australian Financial Review* on Monday. According to the article, his call was “a dramatic repudiation of Labor party policy.” In reality, it is yet another example of Labor’s role in laying the foundations for every major attack on public education.

Dawkins personifies Labor’s key role. As education minister in the Hawke Labor government, he imposed university fees first for overseas students in 1986, and then for domestic students in 1987. That established the framework for the ever-greater transformation of the public universities over the past three decades into money-making institutions for the government and big business at the expense of students.

Since 1987, fees have soared. Today, overseas students pay full fees of tens of thousands of dollars for degrees. They have become cash cows on which universities increasingly depend, turning tertiary education into Australia’s third largest source of foreign exchange income (after iron ore and coal), worth some \$20 billion per year.

Domestic students, whose fees are partly subsidised via the HECS-HELP loan program pioneered by Dawkins, face a mountain of debt. According to a report by the Australian National Audit Office, the debt owed by 2.2 million students and ex-students totalled more than \$44 billion by June 2015, and was expected to reach \$67.6 billion by 2017–18.

Dawkins himself profited from that process, becoming the chairman of a large private education provider, Vocation, with 80 percent of its revenues coming from government fee subsidies. Vocation had a market capitalisation of \$700 million, before it collapsed in November 2015, leaving up to 15,000 students in limbo.

The Labor government in power from 2007 to 2013 launched the next major phase in this transformation. Prime Minister Julia Gillard’s “education revolution” lifted limits on enrolments, but cut funding by more than \$2 billion. This forced universities to fight each other to survive financially by grabbing “market share”—signing up as many students as possible—while cutting costs by increasing class sizes and hiring poorly-paid casual lecturers, who now do the majority of the teaching.

In the 2014 budget, the Coalition government unveiled a plan to complete Labor’s restructuring by lifting restrictions on student fees, which would have meant domestic students paying full fees, and further reducing government funding. It was a blatant move to make it unaffordable for all but the most affluent students to go to university.

Aware of the widespread public opposition, Labor—along with the Greens and the National Tertiary Education Union (NTEU)—proclaimed their opposition to “\$100,000 degrees.” Fearing an electoral backlash, just weeks before the July 2 election, the government deferred its plan. Education Minister Simon Birmingham released a discussion paper, “Driving Innovation, Fairness and Excellence in Australian Higher Education,” declaring the need to explore other options to cut university enrolments.

In his letter, Dawkins suggested means for the government and Labor to work together to overcome the popular hostility. He proposed a “gradual” transition to higher fees, welcoming Birmingham’s proposal to start with “flagship courses.”

To bolster the case, Dawkins attacked universities for

placing an “enormous burden” on taxpayers by enrolling too many students who failed to complete their courses. He was exploiting the fact that chronic under-funding, begun under Labor, has compelled universities to sign up students without the resources to provide them with decent courses, facilities and support programs.

Thomson, speaking on behalf of the Group of Eight, welcomed Dawkins’ call for bipartisanship, saying the “incremental policy changes over the past three decades” had produced a need to “review the policy architecture.” The eight self-styled “leading” universities have for years agitated for permission to charge unrestricted fees, which would effectively produce a two-class system, with the Group of Eight catering for the wealthiest students.

Throughout these three decades, the NTEU, the main trade union covering university staff, has helped successive governments enforce the pro-business transformation of tertiary education. It has continuously pushed its members to trade off jobs and conditions via “enterprise agreements” with individual universities, while falsely presenting Labor and the Greens as “lesser evils” to the Coalition.

For the July 2 election, the NTEU once again urged its members to “put the Coalition last.” The union endorsed a list of candidates dubbed “Defenders of Higher Education,” headed by the Labor Party. Dawkins’ letter, and his record, have highlighted the truth of the matter: Labor and those who fight to keep workers and youth politically subordinated to it bear the prime responsibility for the ongoing corporate assault on higher education.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact