Further moves to privatise education in Australia

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The West Report into university financing and policy, released in April, proposes to accelerate the privatisation of Australian tertiary education.

In 1996, soon after it came to office, the Howard Liberal government slashed more than $600 million, or the equivalent of 30,000 student places, from the tertiary education budget - the largest cuts in history. As well, universities were permitted to allocate up to 25 per cent of their places to students paying full upfront fees. The funding cuts resulted in thousands of academics' jobs being shed, courses closed, and students being forced to take out much larger loans to finance their own education under the Higher Education Contribution Scheme (HECS).

The chairman of the Federal Government-appointed inquiry, Roderick West, claimed its central aim was to let student choice determine the shape of higher education.

But in reality its purpose is to legitimise the charging of up front fees and the implementation of a voucher system. Far from offering more "choice", the type of education a student obtains will depend entirely upon the amount he or she can afford to pay.

Moreover, the Report advocates the closer integration of Australian universities into the corporate world. It proposes that curricula be more directly shaped by the immediate needs of industry, and that the universities themselves be run along corporate lines. Students will be treated as "customers", with the universities providing a "service".

The composition of the West committee is instructive. Its members include Industry Commissioner, Gary Banks; Professor Lee Kwong Dow, who recently collaborated with the Victorian Liberal government to introduce a McDonald's course into the final two years of high school, Clem Doherty, a retired management consultant and Dr Doreen Clark, a businesswoman who headed the Royal Australian Chemical Institute.

The West committee commissioned a Tokyo-based investment bank, Global Alliance, to carry out an industry analysis to be applied to the running of universities. The bank assessed production costs, balance ledgers, productivity incentives and corporate planning. It gave recommendations for cost reductions, marketing strategies and stated that universities needed to "specialise". According to the West Report, this means a far greater differentiation in the options provided by universities, including a "low cost delivery option."

In the current higher education funding framework, students attending private universities finance the full cost of their course. The public universities are government funded. One of the West Report's major recommendations is to completely change this state of affairs. It proposes that students are allocated a voucher, known as a "lifelong learning entitlement", to be used at whatever tertiary institution they attend - public or private. Public universities will no longer be provided with automatic funding, and thus will be forced into a never-ending chase for dollars in the form of full fee-paying students and corporate sponsorship.

To obtain their share of declining funds, universities will have to compete with their rivals to attract students. Obviously, the larger institutions will have the advantage - with access to more cash, able to borrow on their assets. Sydney University, for example, has $2.6 billion in assets, compared with the meagre $86 million owned by Ballarat University, in regional Victoria. Smaller, regional universities will become increasingly cash-strapped, forced to rely on business sponsorship to supplement their already inadequate resources. The result will be an ever-decreasing number of courses - with those not directly related to industry the first to be sacrificed.

Students will become simply the means to another educational dollar. Already, one of the smaller universities (the Victoria University of Technology), has pointed out that under the new arrangements, it would be commercially unviable. It could only survive by becoming a “niche provider” of a small number of courses.

The development of critical thought and a broad intellectual culture will become more and more of a liability from the standpoint of attracting corporate sponsorship.

Vouchers originated with the free-market economist, Milton Friedman, who, in 1954, proposed taxpayer-supported vouchers for US high schools. His conception, which is similar to that advocated in the West Report, was that the government would provide a basic education grant, in the form of a voucher for each student.

For students, the voucher will purchase a minimal education. Those parents unable to supplement it with their own finances, will see their children condemned to a low grade, low quality and under staffed institution.

The Federal Education Minister Dr David Kemp has welcomed the West Report, claiming, however, that he has no intention of introducing a voucher system. This is belied by the fact that he proposed a voucher system in 1993, and has already installed a quasi voucher system in public high schools, where the quality of education provided by an unsupplemented voucher is becoming particularly visible.

In January 1997, the Federal government enacted the States Grants Act, which funds the expansion of private education by cutting funding to public schools. Every time a student leaves the public system, the government cuts $1700 from public school funds. Since the costs of educating any student are made up of fixed items such as equipment, books, staff, buildings, etc, when a student leaves, those costs still remain. The predictable result has been the establishment of 38 new private schools, and a decline in the number of public schools by 59, in just one year.

Funding cuts to public schools have reached epidemic proportions. A recent report by the auditor-general in the state of Victoria, where funding cuts have hit hardest, called on the state government to change its funding priorities to simply ensure that “minimum health and safety standards are maintained”. Eighty per cent of the schools surveyed had been forced to supplement the government funds they received with fund-raising activities to attend to urgent maintenance.

Schools are now being publicly ranked, leading to a vicious cycle for schools in poorer working class areas of low rankings, declining enrolments, further funding cuts and eventual closure.

The West Report recommends a similar process for tertiary institutions. In order to receive government funds, each university will be required to provide information so that students can make “informed choices among competing institutions and courses.” Inevitably, rankings will result.

While at present there are only four private universities, the measures advocated by the West Report will see a vast expansion of private tertiary education at the expense of public institutions.

Increasingly, a decent education will be available only to a tiny wealthy elite. Already, for example, publicly funded students enrolling in an arts degree at the prestigious Melbourne University require a Tertiary Entrance Ranking score of 86.85. Full fee-paying students only need a score of 79

The “freedom of choice” promoted by West is a complete misnomer. What vouchers actually offer is freedom to exclude. Students from working class families will simply not be able to afford entrance to universities requiring supplementary funding, or courses costing tens of thousands of dollars.