

Say No to Tehan's next-level neoliberalism

The reforms announced by federal education minister Dan Tehan on June 19, if implemented, will dramatically accelerate the neoliberal transformation of higher education in Australia. An ongoing structural funding squeeze would increase costs for students, drive down staff working conditions, and accelerate privatisation, entrenching a multi-tier, class-based education system.

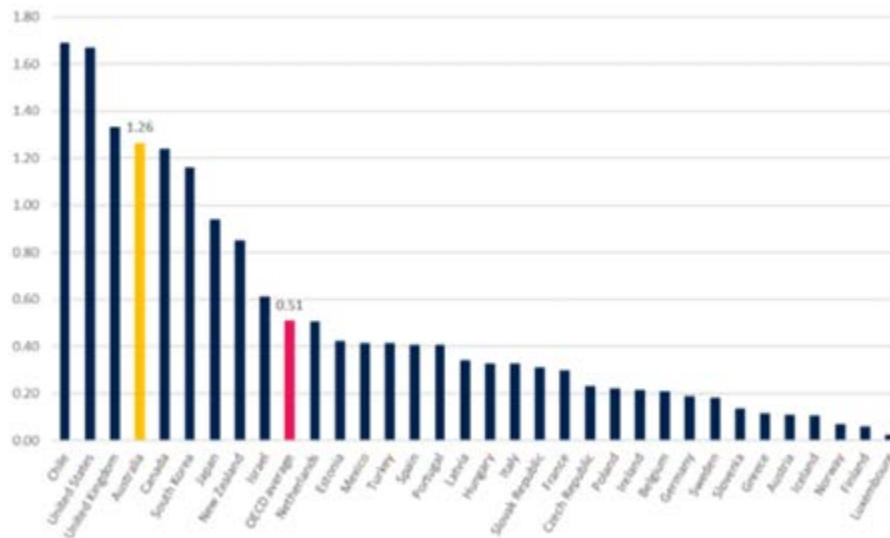
This NTEU Fightback explainer goes through the main features of Tehan's proposed package, before looking at the alternative in public funding, and how we can fight for it.

Attacking the humanities and social sciences: The most striking aspect of Tehan's proposal is the 113% increase in the fees students will pay for most subjects in the humanities and social sciences. One part of their agenda here is pursuing the so-called "culture wars": the political message is that there is zero social benefit from the study of history, society or politics - reflected in students having to bear effectively the full cost of a degree in these areas. There's also a "divide and conquer" agenda, pitting students of humanities and social sciences against other students, while increasing the overall financial burden on students as a whole.

Of course, the reality is that students will keep enrolling in humanities subjects - just at enormously greater cost. As higher fees are more likely to affect the choices of students from working class backgrounds, the tendency will be to reduce their access to those disciplines, along with law and commerce. If current enrolment patterns persist, the burden of extra fee payments will also fall [disproportionately](#) on women. Along with other measures announced by Tehan, increasing humanities fees will further entrench the "multi-tier" system already in evidence in higher education in this country.

Students pay more: Australia is already a world leader in imposing the costs of higher education onto students (see graph below). Tehan's package would intensify this shift away from public funding. The number of courses which get only a minimal subsidy from the government would more than double, and the lowest level of government subsidy would be halved, to just \$1,100 per student per year. Overall, the government projects these changes would, on average, make students pay 48% of the cost of degrees, up from 42%.

Figure 8: Private investment in tertiary education institutions as a percentage of GDP, 2015



(source: Universities Australia)

Funding squeeze: If passed through parliament, Tehan’s package will also continue and intensify the long term funding squeeze on universities. Tehan announced a significant expansion of domestic places (39,000 new places by 2023, a six per cent increase, rising to an extra 100,000 places by 2030). He proposed that *none* of this expansion would be funded by extra government money. Asked about this at the National Press Club on Friday, Tehan repeatedly stressed that these new places would be funded from “efficiencies” within the system.

This approach has obvious implications for workers and students in the sector, keeping downward pressure on wages and conditions and upward pressure on class sizes and workloads.

This pressure would be increased even more, because the Commonwealth wants to cut grants for teaching by 11%, a key part of Tehan’s “reforms”. Tehan’s proposal would keep this money in the system, but in the form of grants to facilitate linkages with industry (and to a lesser extent to promote access by Indigenous, rural and regional students).

If we accept the government’s own publicity at face value, funding will apparently be *below* average course costs (see Tehan’s [discussion paper](#) on p. 24, and the graphs below). The UWA VC has claimed, in an email to all staff, that overall revenue per domestic student might decline by 3 to 4%, putting a major squeeze on costs which will no doubt be the justification for demanding yet more concessions from staff.

Current Model

New Model



- Student Contribution
- Commonwealth Contribution
- Cost

A path to privatisation: Along with extracting more from students and squeezing the sector’s overall funding, Tehan also proposes to continue or deepen a range of other neoliberal measures. His speech made reference to encouraging “more flexibility and diversity” by allowing private providers to offer courses under the government’s “microcredential initiative” (part of their April higher education package). He flags that the government will “further support private providers”. And CPI increases in university funding will be [subject](#) to so called “Performance Based Funding” ([introduced](#) for 2020), rising to 7.5% of universities’ maximum basic grants in coming years.

The ongoing privatisation agenda is clear. The *Australian Financial Review* [reported](#) an interview with Tehan on June 23:

Mr Tehan said the changes were a step towards bringing the university and the vocational training sectors closer together. This would involve harmonising the government subsidies in both sectors, equalising the student contribution, realigning the regulators and bringing student loans under one system.

While Tehan acknowledged that this realignment “had a long way to go”, his intention should send a chill down the spine of everyone in higher education. The last wave of deregulation in the vocational training sector (presided over by both Liberal and Labor governments) led to multi-billion dollar [ports](#) by private providers, targeting students and the government. This “reform” was eventually scaled back, but the principle of letting private providers undermine well established public institutions like TAFE remains - and it’s been a disaster for workers and students alike. This is the destination to which Tehan wants to steer the university sector.

A multi-tier system: Tehan wants to bring about further product differentiation among universities - “provider diversity” in his phrase. Sandstone institutions will be for the ruling class and upper middle class, with poorer universities like VU, WSU, USA, and (despite the rhetoric and some extra money) regional unis like SCU, Federation and CQU for the proles.

Tehan flagged “university colleges” which would become “teaching only” institutions.

Education analyst Andrew Norton [points out](#) that the 11% cut in funding per Commonwealth supported place will lead to further pressure on the research fraction for academic staff:

An academic employment model that assumes the same people teach and research was kept alive by funding surpluses on domestic, and especially international, students. With both these surpluses being hit hard, the funding logic is that a trend towards more specialised academic staff will have to accelerate.

The government has decided to reduce funding per student so that it is below even its questionable estimates of teaching costs, in order to eliminate the possibility of cross-subsidising research from funds received for teaching, which has been a common practice of university managements.

The push to teaching only institutions will probably see more universities adopting the controversial “block model”, pioneered in Australia by Victoria University. Southern Cross University has already [indicated](#) it is moving to this model. According to one [veteran](#), VU’s block model

leads to a lack of time for reading, particularly in subjects that would usually require a great deal of it, such as Literary Studies, History and other subjects that require critical engagement with texts. With the rapid pace of course delivery, teachers are less able to properly gauge those who might have difficulty with the material, and even if students admit to their inability to keep up, there is no reasonable amount of time to give them the assistance they require.

Tehan’s vision is clear. A minimal, functional education for the working class, with the liberal arts available to the children of the rich, at their own expense: universities for proles, where there is little or no research, and all academics are employed only to teach; middling unis where there is some research, and some teaching and research jobs; and unis for the elite, with fewer teaching only jobs (apart from vast numbers of casuals) and more research is undertaken, especially by super-star professors on over-the-top salaries.

Fighting for a publicly funded higher education system

Of course, there is a simple alternative to this neoliberal reshaping of higher education: public funding of public education, paid for by progressive taxation on individuals and corporations.

2017 revenue for Australian universities was \$31.5 billion. \$11.6 billion came from Commonwealth grants for student places, \$1.6 billion from other government grants, \$5.9 billion from domestic student fees (upfront or deferred), \$7.4 billion from international student fees, and the rest from other sources including consultancies, investments, and other fees.

If the Federal Government wanted to fund every cent of this, the extra cost might be an additional \$18 billion per year. That’s a huge amount of money. But it’s only a little more than *half* the cost of the tax cuts passed by the Australian parliament in 2018 and 2019 (the later cuts with Labor support) – \$300 billion over the next ten years.

Analysis produced by [ACOSS](#) shows these tax cuts are already costing \$8 billion per year, will cost \$16 billion by 2023, and \$18 billion annually from 2024. Total [military spending](#) in Australia has recently

been \$38.7 billion per year. And the government has just announced a [phenomenal increase of \\$75 billion](#) in spending over the next decade on military personnel and murderous weapons.

Despite the rhetoric around the need for “efficiencies”, the Covid-19 crisis has demonstrated that governments can miraculously find money when the need arises: we should be forcing them to find the money needed to fund public higher education.

Fighting back: Tehan’s announcement signals a continued, unrelenting attack on the public higher education system in Australia. Our union should [join students](#) in fighting with all its might against Tehan’s attacks. In 2014, a campaign of vigorous [student protests](#) made the deregulation of fees for undergraduate degrees a lightning rod for opposition for an unpopular austerity budget, eventually [leading](#) to the [defeat](#) of the measures in the Senate.

Even in the corporate-dominated political environment of the US, unions such as the Chicago Teachers Union have demonstrated that it’s possible to use industrial strength to [reorient](#) the whole [discussion](#) around public education. It’s well past time that students and workers combined to push for a similar reset around higher education here in Australia.

Further sources:

NTEU Fightback’s forum *Tehan’s neoliberal plans and how to stop them* of 24 June is [here](#).

Here’s the [website](#) for Tehan’s “Job-ready Graduates Package”. The most comprehensive document is the [discussion paper](#), although there is a lot of extra info in the FAQs scattered throughout the various web pages.

Useful sources on university funding include:

- Universities Australia, [Higher Education: facts and figures](#), July 2019
- Grattan Institute, [Mapping Australian higher education](#), 2018

See also:

- Sarah Garnham, [The Liberals are butchering universities. Staff and students have to resist](#), *Red Flag*
- Antony Eagle, [Changes to Australian Higher Education Funding: An Attack on Expertise](#), *Medium*
- Gareth Bryant, [It doesn't add up: uni funding overhaul will also hurt STEM students](#), *Age*
- Ian Marshman and Frank Larkins, [The government is making ‘job-ready’ degrees cheaper for students – but cutting funding to the same courses](#), *Conversation*
- Paul Karp, [Dan Tehan’s threat to police university enrolments can’t plug the holes in the Coalition’s logic](#), *Guardian*

- Rebecca Barrigos, [“The neoliberal transformation of higher education”](#), *Marxist Left Review*, 6, winter 2013.