

# 'GROUP OF EIGHT' CONTINUES THE UNIVERSITY PRIVITISATION PUSH

**8 June 2007** *By Margaret Thornton, president, Association for the Public University*

The [latest proposal](#) in the roller-coaster ride of higher education policy comes from the Group of Eight research universities, a breakaway group of Universities Australia (formerly the Australian Vice-Chancellors' Committee).

While the proposal to do away with full-fee places (the favouring of the 'thick and rich') sounds appealing, the new proposal is also fraught. Universities would be able to charge fees of up to 125% of the cost of a course, determined by the Productivity Commission. They would pocket any profit, a scenario that would be far more favourable to the Go8s themselves than to the regionals, which would be struggling to break even. What is more, the overseas experience shows that where caps on fees exist, the most powerful institutions are soon exerting pressure on regulators to raise them.

A system of portable government-funded 'scholarships' or vouchers would be established. Students would then decide where to enrol, which would heighten the prevailing consumerist pressure on universities as to what courses would be offered. The system would also entrench competition between institutions at the expense of collaboration.

Under the proposal, universities could take in as many students as they wished \_ or could attract. While the scheme is touted as one of deregulation, this is not quite so as there would be a new federal/state body to administer it. Hopefully, this would put a brake on idiosyncratic actions by individual ministers, such as interfering with grants for research projects they didn't like the sound of.

This voucher system would be underpinned by the existing income-contingent loans scheme (FEE-HECS and FEE-HELP) that has been borrowed directly from Hayek and Friedman. The user-pays system is already favouring applied disciplines in the expectation that graduates will be able to command high salaries in order to repay education debts quickly, a trend that could be expected to continue to the detriment of the liberal arts.

The Go8 proposal does not therefore represent a radical departure from present policy. Instead, it extends the market imperative in

favour of the privatisation of higher education. The proposal also comports with neoliberal government policy designed to ensure that universities are useful producers of good technocrats and functional new knowledge workers whose role is to make Australia competitive on the world stage. The Go8 have placed their stamp of approval on higher education as an industry.