

**NATIONAL UNION OF  
GREEK AUSTRALIAN STUDENTS  
(NUGAS)**

**POLICY**

**PRIVATISATION,  
DEREGULATION AND  
CORPORATISATION OF THE  
HIGHER EDUCATION  
SECTOR**

**PREPARED BY:  
MICHAEL PALASSIS**

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## 1.0 Introduction

Over the last decade the higher education sector has grown to peak at almost 700,000 students (EFTSU 1999). This is represented by a 62.6% increase over this period. However, this rise in participation has not been matched by Commonwealth Government commitment and expenditure to higher education. This is depicted by the cut of over \$800 million dollars in operating grants to the sector since 1996.

The removal of this funding has been comprised of a major expansion in the private funding of higher education from both individual participants (students), up-front fees and private industry.

### University Funding by Source 1999

<b>SOURCE</b>	<b>\$'000</b>	<b>% SHARE</b>
Commonwealth Grants	4,420,183	53.8
<b>Fees and Charges (Paid by Students)</b>	<b>1,226,822</b>	<b>14.9</b>
<b>HECS (Paid by Students)</b>	<b>1,209,560</b>	<b>14.7</b>
Investment Income	326,375	4
Donations and Bequests	102,531	1.2
State Government	92,339	1.1
Other Sources	839,940	10.2
<b>TOTAL</b>	<b>8,217,649</b>	<b>100</b>

The proportion of University funding that is contributed from students now comprises 30% (14.9% and 14.7%). This a strong move away from the notions of free tertiary education that has been the historical basis for the evolution of the sector.

The total amount of funding received by universities, is still insufficient to cope with the massive growth in student numbers whilst maintaining a high quality and well-resourced education sector.

## 2. Expanding the Revenue Base

### **2.1 Corporatisation and Privatisation**

Corporatisation and privatisation are two distinct processes united in their current application by universities in order to increase funding to eliminate the effects of cuts to public funding. Corporatisation is best referred to as increasing the role of specific corporations in the operation as well as the adoption of corporate method within the tertiary sector.

Private Investment is when funding is targeted to particular projects, courses or departments.

The corollary that extends from this is that educational priorities, curriculum development and the survival of faculties and departments are skewed according to the priorities of private industry, moving away from an education system designed to benefit the community as a whole. The interests of the highest bidder do not have anything in common with the bets interests of the community. Accountability university governance is lost when private investment is channelled though the

corporate arms of universities such as Melbourne University Private. This extends to the transfer of an institution from the public realm to the private. Privatisation extends to beyond the control that exists within the public sector to include actual ownership.

## **2.2 Ancillary Fees**

Ancillary fees are a major consequence of Commonwealth funding cuts. These are all fees and charges paid by students to universities and affiliated bodies, in addition to tuition fees. These include the cost of lecture notes, course readers, laboratory manuals, field trips etc.

A majority of these fees that are in breach of the *Higher Education Funding Act*. This act states that Universities may only charge for items that are non-essential in the pursuance of their course. For further discussion see *National Union of Greek Australian Students Policy Ancillary and Illegal Fees* January 2000, M.Palassis, National Education Officer.

## **2.3 Deregulated Fees For Domestic Undergraduate And Postgraduate Students.**

The Federal Education Minister, Dr David Kemp was required to respond to a leaked document from federal cabinet in October last year which purported to totally deregulate the funding system. This extended the already announced deregulation in the Governments *Green Paper* of postgraduate students to undergraduate students. The plan proposed to allow universities to charge 'top up' fees. This would allow the larger universities with better reputations to charge up to \$100,000 for undergraduate degrees. The proposal allowed Universities to charge a premium for reputation and quality. This would inevitably limit access to these institutions to those who could afford places as opposed to academic merit.

The aim is to increase competition between institutions and places complete faith in the market to deliver the best possible outcomes. This will not lead to system wide excellence, but lead to radical differences in resources and quality of education between those institutions based on their ability to market themselves to prospective students. This will lead to a small elite group of institutions with the majority struggling to maintain a decent level of education provision for the majority of students. This will undoubtedly bring about a lower standard of education for the majority of students whose degree will be less recognised than those in the elite group.

The notion that students have a right to choose an institution has been used to explain a deregulated market. However, choice becomes meaningless when situated in an educational market place in which Universities are free to set prices for the 'choice' to access their institution. Choice in an environment in which the Government is not injecting funds to create basic notions of access, comes down to the ability to pay.

For further comment, see Media Release: NUGAS Response to Higher Education, [www.nugas.org.au](http://www.nugas.org.au).

### **3. Future Actions and Policies**

If the current funding measures continue this would at best lead continue the trend for increased revenue raising and cost cutting measures by Universities. The effects of this being the failing in the quality of education available to students already in the system and the increasing costs being born by individuals. Increased private involvement will lead to fundamentally different outcomes at odds with the needs of the community and students.

#### **3.1 Policy**

On the basis of the above, I recommend that the Annual General Meeting of the National Union of Greek Australian Students adopt the following motions as policy:

##### **3.1.1**

That the National Union of Greek Australian Students supports the notion of a free higher education system.

##### **3.1.2**

That the National Union of Greek Australian Students actively campaigns against the current conditions and inadequacies of the higher education sector.

##### **3.1.3**

That the National Union of Greek Australian Students actively campaigns to resist further deregulation and student centred funding options.

##### **3.1.4**

That the National Union of Greek Australian Students actively campaigns against the introduction of privately funded corporations into University programs, departments and faculties.