

TITLE: Christopher Pyne's higher education plans won't fly, and shouldn't

AUTHOR: Richard Denniss

PUBLICATION: Canberra Times

PUBLICATION DATE: 30/08/14

LINK: <http://www.smh.com.au/comment/christopher-pynes-higher-education-plans-wont-fly-and-shouldnt-20140829-109ybg.html#ixzz3C1RHG7qe>

For American presidents, the 'State of the Union' address provides a once in a year opportunity to set out a plan for the direction the country needs to take and the policies required to get it there. The closest Australian governments get is the annual budget speech, and that is provided by the treasurer, not the prime minister.

Australia is one of the richest countries in the world and we live at the richest point in world history, yet elected governments spend far more time telling us what we can't build than they do telling us what they want to build. The decision to conflate our public finances with our public ambitions in budget night speaks volumes about the Australian leader's lack of confidence.

Of course, for leaders who lack a clear vision of how governments can help tackle some of our problems, what better excuse for timidity than a lack of funds. What better time to release a non-plan for the coming decades than the night a budget deficit is released.

Unfortunately for Joe Hockey however, the tricks that have worked for previous conservative treasurers just don't seem to work for him. Hockey's plan for the country is to start charging the sick to see a doctor, start cutting indexation rates for the age pension to increase the gap between the richest and poorest Australians and start letting universities charge whatever price they think students can pay for a degree. What better time to announce such a plan than in the middle of a fictional 'budget emergency'? What could possibly go wrong?

Everything, it seems. The Abbott Government's budget is the least popular 'plan' for the country since pollsters started keeping records. Having been elected on a simple, and simplistic, platform that included 'no surprises,' the Abbott Government's struggle to build support for its 'big plan' to do less is hardly surprising. Even the Treasurer now agrees that there is no 'budget emergency'. Luckily for citizens and possibly for the Government as well, the senate has shown no enthusiasm to pass most of the 'new plan' announced by the treasurer in May.

A close look at higher education policy sheds light on how out of touch, with both the public and the Parliament, this Government is. Christopher Pyne's 'solution' for higher education is to deregulate the price of a university degree and let vice-chancellors charge whatever their students, or their student's parents, can afford. To rub salt into the wound he wants to charge commercial interest rates on HECS debts. The Government's 'solution' is to radically shift the cost of higher education from the government on to students.

While the Government have been clear that their 'solution' is students paying much more for a tertiary education, Minister Pyne has spent virtually no time explaining what the problem he's trying to address is supposed to be. He has told us that 'the taxpayer simply has no more to give' at a time that his leader wants to give \$20 billion away for a new paid parental leave scheme. While the Abbott Government has also found billions of dollars for roads, submarines and joint strike fighters, they are telling the public there is just no money around. It simply doesn't wash.

Low-income earners not only drive cars, many of them aspire to go to university, or see their children going to university. The children of the poor are every bit as capable, intelligent, and worthy of opportunity as the children of the rich. The Abbott Government has, perversely, tried to rely on equity arguments to justify making universities less accessible. 'Why should a plumber pay for someone else's law degree' asks the government, when what they should be asking is 'why wouldn't a plumber's daughter want to be a lawyer?'

In pushing for a massive increase in the cost of living for graduates, the Government has to work hard to divide students from vice-chancellors. To do this, Christopher Pyne has bought the support of some university administrators in a surprising way. He has promised to cut funding for university research while offering them the opportunity to raise as much money as they can from their students via fee increases.

Desperate to maintain their university budgets, their research output and, in turn, their performance bonuses, many vice-chancellors have been willing to rely on their students to bail them out of a financial hole created by the Government. The Group of Eight elite research universities, currently chaired by ANU VC Ian Young, have lobbied hardest in support of student fee deregulation. The G8 is likely to be able to increase fees most given their existing prestige, in part based on their research rankings. These increased fees could then pay for more research, increasing their rankings further (and thus their ability to charge students even more). Research rankings are a poor indicator of the quality of the education provided but universities do focus on them, and the vice-chancellors in the G8 have been reluctant to talk about how much of any fee increases will go on research.

The idea that student fees should cross-subsidise research capacity makes about as much sense as asking sick people to pay a \$7 co-payment to fund future medical research but then again, fairness and economic theory don't feature strongly in this government's long term plan. University research is important for our society, our economy and even for good government. If the Abbott Government wants to plan for the future by spending less money understanding it then, in a democracy, is their decision to make. But increasing the price of education in a clumsy attempt to conceal that choice is as cowardly as it is short-sighted.

Luckily for students not all vice-chancellors have fallen for Minister Pyne's attempt to wedge students and administrators. University of Canberra VC Professor Stephen Parker, has said he won't negotiate with a gun to his head. In a rare example of clear speaking by the 'leadership' of our national universities, Professor Parker has described the government's proposed changes as "unfair, unethical, reckless, poor economic policy, contrary to the international evidence and being woefully explained, raising suspicions about how much thought has actually gone into them". Too right.

Luckily for students, academics, and the future beneficiaries of current research, Minister Pyne's plans to deregulate university fees have about as much chance as passing through the senate as the GP co-payment. That is, like so many of the big plans announced by Joe Hockey on budget night, going nowhere.

The ALP, Greens and Palmer United Party have all said they are opposed to slugging students to fill a hole in the university budgets that have been deliberately created by Mr Pyne. Given the large number of current and future students who live in marginal and regional electorates, it is hard to see how the Coalition backbench could be enthusiastic about the plan. Given the unique social and economic role of regional universities, it's hard to see the Nationals thanking Joe Hockey for yet another issue that will bleed votes to the Palmer Party.

Our nation is in a strong position. Sure, we have structural problems with inequality, climate change, indigenous disadvantage and the level of public infrastructure investment lagging well behind our rapid population growth. But we don't have a 'budget emergency', we simply need to unwind the massive tax cuts and tax loopholes that John Howard left us with. An equitable tax system, like a merit-based education system that is accessible to all, is a far better outcome than loading young people with massive debt that can be paid by only the rich.