



AUSTRALIAN SENATE

**EMPLOYMENT, WORKPLACE RELATIONS  
AND EDUCATION**

REFERENCES COMMITTEE

7 November 2003

Senator George Campbell  
Chair  
Employment, Workplace Relations  
and Education Committee  
Parliament House  
CANBERRA ACT 2600

Dear Senator Campbell

The subcommittee formed to deal with the inquiry into the proposed budget changes to higher education has completed its report: *Hacking Australia's Future, Threats to institutional autonomy, academic freedom and student choice in Australian higher education*, and we commend it to the full committee.

Yours sincerely

Senator Kim Carr  
Subcommittee Chair

Senator Trish Crossin

Report formally adopted by the  
committee on 5 November 2003 for  
tabling in the Senate.

Senator Natasha Stott Despoja

Senator John Tierney

Senator George Campbell  
Chair



## FOREWORD

*Any comprehensive view of our universities should also take account of how the public universities help define what it is to be Australian.<sup>1</sup>*

*...if we create market universities run purely on market principles they may be of their age, but they will not be able to transcend it.<sup>2</sup>*

As society advances, the world for individuals becomes more complex. Knowledge, and the institutional generators and custodians of knowledge, become more crucial to peoples' ability as citizens to negotiate their world. Knowledge creation and knowledge transmission become essential for collective social and economic wellbeing and progress.

Thus, higher education must more closely intersect with public policy making. Australia is slow in recognising how important this is, compared with other OECD countries, which are leading the way by reinvesting even more public funds in their universities.

The policy direction embodied in *Backing Australia's Future* would tear public investment out of the university sector and shift an unprecedented level of costs direct to students. As it is by no means certain that students are able or willing to take up this new cost burden, the new funding arrangements could be unsustainable. At the same time, in a contrary move, the Government's powers to direct the minutiae of daily academic and administrative decision-making in universities would rise in a manner unparalleled in the history of Australian education and unseen in other democratic countries.

This extraordinary expansion of the Minister's powers in university governance and administration is a consequence of the policy decision to abolish the legislative distinction between established public universities, on the one hand, and small, sometimes fly-by-night private providers on the other. These peripheral providers will seek Commonwealth funding on the same basis as universities. In a 'market' where all providers compete for the custom of a sole purchaser – the Commonwealth – it is apparently unconscionable for public universities to enjoy the comparative advantages and the flexibility accorded by their current levels of institutional autonomy. With new private players in the wings, the Government feels compelled by the doctrine of competitive neutrality to institute draconian regulation of the sector which has hitherto been unnecessary for public universities.

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<sup>1</sup> Mr Brendan Sargeant (Defence), *Hansard*, Canberra, 13 August 2001, p. 1270

<sup>2</sup> Frederico Mayer, UNECSO Director General, *Times Higher Education Supplement*, 3 October 1997, p. 12 as quoted in M Peters and P Roberts *University Futures and the Politics of Reform in New Zealand*, Dunmore Press, New Zealand, 1999, p. 57

Finally, the Government has used the occasion of this legislation to attack the industrial rights of university staff and the democratic rights of students to form associations that provide them with services and representation. These matters are entirely dissociated from the other policy aims of the package and indicate a bewildering preoccupation with ideological concerns which have no relevance to the practical needs of students. The committee joins the almost unanimous voices of members of the higher education community in expressing dismay and alarm at the direction taken by the Government in this legislative package. It calls on the Senate to reject it in its entirety.