

The U.S. model of funding for higher education is a disaster that Australia should avoid at all costs. Because of deregulation, fees for higher education in the U.S. have gone up astronomically. Fees have risen by 1,120% in the last 30 years. Many U.S. students—and former students—are unable to repay their debts, which is having a grave effect on the economy and on society.¹ When people go into debt, they do not spend and they postpone having, or choose not to have, children. Many people in the U.S. will not be able to pay off their debt during their lifetime and the debt will be carried over to their heirs.

The point of education should be to create a thoughtful and creative workforce, able to deal with today's many challenges. When the price of education is not regulated, it goes up, and that will mean fewer people will choose to go to university. Universities should not be solely for the rich. They should be for anyone who wants to go. If entry to university must be limited, that limit should be based on merit not on wealth.

By making it harder for people to go to university, students begin thinking of their education as something that has to be justified with an immediate payoff, ideally a job. Universities should not be training people for jobs. Universities should be providing people with an education that they can use when they get a job. Critical thinking and thinking imaginatively are skills that all workers need no matter what area they go into and these are the skills that universities teach. But if people are focused only on taking classes at university that lead to a job at the end, they miss out on developing those vital skills. This attitude towards universities as training ground for jobs is the result of charging higher fees.

Increasing fees and deregulating fees will lead to a race among universities over which one is better, which is what has happened among private universities in the U.S. One of the great aspects of the tertiary education system in Australia as it is now is that the public universities in each state are roughly the same standard (they are all excellent). This means that students have tended to go to the university in the state where they live. That is going to change if fees are introduced. It will create a more competitive market. But what is the advantage of this competition? It will not make the education system better. Instead, each university will vie to compete with each other, their ranking measured by a core set of qualities (like the RAE system in the U.K. which has had a devastating effect on U.K. universities). This will lead to a homogenizing of education instead of encouraging a plurality of subjects and methodologies practiced in those subjects.

The U.S. system of unregulated fees for universities has had a disastrous effect. As those effects are becoming apparent, it is clear that the results will have adverse effects on the economy and society, and may signal the end of the university. Do not

¹<http://www.afthighered.org/2014/05/22/borrowing-against-the-future-the-hidden-costs-of-financing-u-s-higher-education/>

make the same mistake in Australia. Australia has one of the best university systems in the world. Do not ruin it.