

Opinion

A graduate tax isn't even a third-class idea

It's bad for the Government, bad for the economy and bad for students and universities



Andrew Haldenby

Every now and again an idea emerges that is so contradictory to everything that a government stands for, and so bad in itself, that Westminster unites in a kind of collective shudder. It happened a month ago when Vince Cable announced support for a graduate tax.

It still seems astonishing even now, given the approach to policy that David Cameron and Nick Clegg have set out with such care. These two have repeated that, above all, their Government will be judged on its success in reducing the deficit. That means making organisations funded by government think much harder about their costs. As Mr Cameron wrote on Sunday: "You start by getting the books out and scrutinising every penny spent, asking whether it is necessary, seeking out any waste you can cut."

For universities, transparently what this means is the opportunity to set tuition fees higher than the current cap of £3,290 per year. If students had to pay more like £7,000 per year (approaching the true cost of their courses at many universities), they would seek out lower prices, higher quality or both. Universities would find ways to reduce prices for students: we would see two-year or even 18-month degree courses. Universities would make much more of their existing

resources (the opportunity to deliver lectures and seminars online has never been properly tapped). They would raise more funds from alumni and from turning scientific research into businesses. Taking the cap off tuition fees would be the catalyst. Most people took it as a given that this is what Lord Browne of Madingley's review of higher education funding would announce later this year.

A graduate tax would remove that pressure at a stroke. Rather than a fee, students would pay more tax for part of their working lives. They would lose any sense of the cost of their course and any interest in greater value for money.

As for institutions of higher education, they would return to a state of dependence, reduced to lobbying government for a share of the tax that graduates had generated. This is the second great contradiction. The new Government wants to create a Big Society of free, self-governing

Cameron would be the heir not to Tony Blair, but Tony Benn

institutions. It is struggling to create such institutions in other walks of life. Yet in one area — universities — they not only exist but have prospered to become some of the best in the world. Remarkably, the Government wants to take more of a central grip.

The contradictions haven't finished. The coalition wants a more "competitive" tax system. But a graduate tax would mean that a graduate paying a 40 per cent rate of tax today would pay towards 50 per



Graduation day: goodee, now we can pay more tax or join the brain drain

cent. Some would pay approaching 60 per cent. The penal rates of the 1970s are coming back into view, closely pursued by the brain drain of that era.

And the coalition wants a "simpler" tax system (and has set up an Office of Tax Simplification to create it). But a graduate tax would mean that tax rates for every individual would change depending on their job or earnings, requiring much greater bureaucratic effort by employers.

Dr Cable might reply that a graduate tax would be "fairer". But tuition fees have not deterred students from poorer backgrounds from attending universities in much greater numbers. The man responsible for monitoring university access, Sir Martin Harris, has said that the chances of attending

university for students from deprived areas have increased by 30 per cent while fees have existed, which is faster than previously. There are three causes: money from fees has allowed new places to be created, students from poor backgrounds have done better at school and universities have done better at reaching them. Fears raised by opponents of fees have completely failed to materialise.

If Tony Blair's Government had opted for a graduate tax when it reviewed higher education finance a decade ago, it would have been seized on as proof that new Labour was not really new Labour. People would have said that it wanted to soak the rich and to run universities as a creature of government.

Instead he introduced a system of fees that were by far his most important legacy as a reformer of the public sector. Mr Cameron used to want to be the heir to Tony Blair. With a graduate tax, he's the heir to Tony Benn.

The graduate tax is intellectually incoherent, destructive of the Government's credibility, would damage the economy and accelerate the decline of the UK's great research institutions against America. Apart from that, it's a great idea.

Andrew Haldenby is the director of the independent think-tank Reform

OpEd Live, from 1pm
In defence of speed cameras:
David Aaronovitch replies
to readers' comments
thetimes.co.uk/opinion



Putting the needs of wildlife before people is just bats

Rob Yorke

A thriving countryside needs people as much as it needs a diversity of species and habitat. That's why most of us in the country welcome the Government's attempts to encourage affordable housing.

But there's something lurking in the hedgerows and ditches that could scupper these well intentioned plans. Badgers, great crested newts, bats and all wonderful natural things are protected by the Wildlife and Countryside Act 1981, the Conservation of Habitat and Species Regulation 2010 and the Badger Act 1992. Quiet right too. But overzealous, "belt and braces" interpretation of this legislation is costing us dear within our fragile economy.

Work on a vital waterpipe is postponed when a great crested newt is found under an old carpet in a garden. A road cannot be repaired until licences are sought to work near one of the many exits of a badger's sett. A barn conversion is jeopardised because the owner is put off by the cost of a survey — they can cost up to £5,000 — looking for bats that might never exist. A project is postponed and workers laid off until the flight patterns of a nearby colony of roosting bats are assessed and scaffolding is moved every night so as not to disrupt the bats' nocturnal sojourns.

How did bats survive before we provided houses where they could roost? They were quite happy in trees, but if we disturb them now, we must provide them with "thermally beneficial" huts with experts to monitor their progress for years after

the works are complete.

Plastic fencing pollutes the very environment it purports to protect

Don't get me wrong, I'm all for wildlife. Countryman, paid-up member of the RSPB, Buglife, life member of Game and Wildlife Conservation Trust and Wild Trout Trust.

But you are made to feel like a nature basher if you question the common sense of having to commission ecological surveys 500m both sides of a proposed waterpipe that passes near a motorway and through cultivated farmland. Do we really think it likely that a newt will travel half a kilometre through arid fields of cereal crops and cross a motorway — and then topple into a temporary trench?

If there is a hint of newt, the metres of black plastic fencing that sprout around a scheme to prevent them from entering — or escaping — pollute the very environment it purports to protect. Meanwhile the nearby farmer ploughs his field with amphibians moving happily to one side.

Legislation has its place in protecting vulnerable wildlife and habitats, but the green shoots of recovery are being snuffed out by an overzealous green lobby.

Rob Yorke is a land agent and rural commentator in Powys

Tim Teeman New York Notebook

The mosque will easily fit New York's state of mind

The first time I visited Ground Zero, as a tourist eight years ago, was on a biting cold winter evening. The crater still felt, despite the portable huts, workmen and machinery, most definitely like a crater. Its size was incomprehensible. If my mission was to rubberneck ghoulishly on an epic tragedy, the dramatic vista delivered.

It was obvious who was from out of town — we were trying to find messages and photographs pinned to fences, read the names on a 9/11 memorial; we were dumbfounded. Real New Yorkers walked determinedly on; they were finding a way to live with this aberration by trying somehow to make it just another part of the visual commute.

Sarah Palin — as angry New Yorkers point out — is not from New York, but three weeks ago she called on "peace-seeking Muslims"



to "refudiate" plans to build a mosque and community centre two blocks from Ground Zero. This seemed less a linguistically botched appeal to peace-seeking Muslims than to a Republican body politic so suspicious of Muslims that it rarely bothers to differentiate "peaceful" ones from potential terrorists.

Last week, Michael Bloomberg, the Mayor of New York, spoke in support of the mosque, as reprinted in Saturday's *Times*: "Lost in the heat of the debate has been a basic question — should government attempt to deny private citizens the right to build a house of worship on private property based on their particular religion? ... This nation was founded on the principle that the government must never choose between religions, or favour one over another."

This being New York, the proudest of melting pots, you would expect the sentiment behind Mrs Palin's words to be as scorned as her mangled words. Not so. One survey shows a pretty even split for and against the mosque. Letters to the *Daily News* are absolutely opposed, calling the mosque an insult to New Yorkers and 9/11 families.

But in midtown New York, in an admittedly unscientific survey, I found unanimous support for Mayor Bloomberg. "The right wing is disgraceful in pandering to fear and

xenophobia," one man said. One web editor, not from New York, said that Ground Zero felt like "hallowed ground", although "singling out Muslims and driving them from active participation in American life is a sure way to reinforce the jihadist view that America is at war with their religion".

Ground Zero is now a jungle of cranes, the crater-feel has gone: eventually the 1,776ft Freedom Tower will stand there, with two memorial pools where the bases of the two towers were. A friend described daily life at the site: "You've got tourists taking pictures in the same way they do in front of the Statue of Liberty. There is little reverence or respect."

I asked my landlord if he thought the site should be kept special in some way. "It needs to be built on, and big," he said. "Get back to normality. Look at this tiny island: the skyscrapers, how tightly they're packed. New York is about real estate, money."

Many New Yorkers want to see Ground Zero reborn, respectfully, with the swagger of the surrounding city — the same swagger that will ultimately accept the presence of a mosque two blocks away.

Housewives, choice

In a desperate bid to find something incontrovertibly easy to, y'know, hate, one must turn to reality TV. The antics of the over-tanned Snooki from the MTV programme *Jersey Shore* have briefly receded. After the catfights of Bravo's *Real Housewives of Atlanta*/*New Jersey*/*New York* comes

the Washington DC chapter. The cast includes Michaele Salahi who, with her husband Tareq, allegedly crashed President Obama's first state dinner. She has already been rejected by the other women and has accused Whoopi Goldberg of hitting her during taping of the chat show *The View*. (Videotape showed Goldberg touching her gently on the arm.)

The British "housewife" Catherine Omanney isn't popular either, after criticising Barack Obama and doing an impersonation of a black model in a kitchen full of black women. She ignored their mortified looks and asked the chef what was for lunch.

Down in the dumps

To cool down in this baking summer, New Yorkers are being encouraged to take a dip in converted "dumpster" pools. Three mini swimming pools — yes, they're cleaned-out, tarted-up, massive skips — have appeared on Park Avenue, which is closed to traffic on selected Saturdays in August.

Some New Yorkers are horrified, wondering how clean the dumpsters are and why on earth you'd strip off to be observed by gawping strangers for a scaled-down swim. Others use Bill Murray's dumpster diving on David Letterman's chatshow recently as a cautionary example: his tomfoolery yielded a nasty gash on his forehead.

But the Park Avenue swimmers are enchanted. "I have another suggestion for Mayor Bloomberg," one said. "Hot tubs in the winter."