

Submission

to

The Treasurer's Community Consultation on the Budget

from

The Australian Federation of University Women Inc.



A. F. U. W.

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Education Funding: a Public Priority

If you think education is expensive, try ignorance

Background

The Australian Federation of University Women Inc. is an organization of graduate women with associations and branches in all States and Territories. Established in 1922, it has as its aim the advancement of women through access to affordable quality education, so that they can fulfil their personal potential, achieve economic independence and make informed contributions to civil society. Through its Australia-wide scholarship program AFUW provides over half a million dollars annually in education scholarships.

This submission advocates for more, and better targeted, funding for education.ⁱ Most of its proposals are relevant to both males and females, but some issues of gender equity are raised. The two-page summary is supported by endnotes of explanatory and supporting material.

The Current Situation

AFUW considers that education is so clearly a factor in national well-being that it must receive sustained and substantial public funding.ⁱⁱ Consequently, AFUW is disturbed by:

- The decline in the proportional contribution of Federal government funding to overall education expenditure as identified in the recent OECD Report;ⁱⁱⁱ
- The increasing costliness of education, especially – but not exclusively – in the university sector.^{iv} The impact is likely to be greater on women, whose income overall is significantly lower than that of males;
- The widening gap in resources between schools, mostly – but not exclusively – between public and private schools, and consequent equity issues in accessing the benefits of education;^v
- A distribution of poor educational outcomes that indicates some demographic groups (notably Aborigines, those from CALD backgrounds or with parents of low socio-economic status) are disadvantaged with respect to educational opportunities at all stages of education;
- A shortage of properly qualified teachers in certain important disciplinary areas, notably maths, science and languages, that is impairing the quality of primary and secondary education and having a flow-on effect into tertiary education and available workforce skills;^{vi}
- Problems in recruiting and retaining teachers and academics for schools, post-secondary institutions and universities as a result of factors associated with under-funding, especially excessive casual or rolling short term contract appointments,^{vii} the rise in student/staff ratios^{viii} and difficulty accessing research support;^{ix}
- An apparent preference for increasing funding to infrastructure projects, indicating a failure to recognize that adequate numbers of properly qualified and committed teachers are of the highest significance for educational outcomes;^x
- Failure to make major and sustained improvements in the representation of women in senior university positions, and in their access to research funding through the ARC and NHMRC, such access often being a prerequisite to reaching senior levels;^{xi}
- The contribution made by the above to the gap in gender wage equity;
- Increased evidence of student poverty, with the need to earn employment income often having an adverse effect on academic performance;^{xii}
- Impediments to welfare recipients, especially single parents (mostly women), who seek to access adult education in order to improve their employment prospects and financial security – e.g. treatment of equity scholarships, impediments to part-time study, instructions to Centrelink staff to ‘discourage’ those on Parenting Payment from undertaking postgraduate study as part fulfillment of work obligations.

Recommendations

- 1 Public contributions to education funding should be increased in all sectors so as to match at least the average OECD performance: i.e. on the basis of the 2004 figures, the proportion of GDP devoted to education should rise from 4.8% to 5.4%. Expenditure on tertiary education, largely a Commonwealth responsibility, should rise from 1.1% of GDP to 1.3%.^{xiii} In sectors where funding responsibilities are shared between Commonwealth and State, consultative planning to achieve this should be given high priority.**
- 2 Such increased funding should be targeted to direct its benefits to those most in need of improved and equitable access to appropriate quality education and to those suffering systemic inequity within the education sector:**
 - 2.1 At pre-school level:** programs should be supported that provide places for children who are Aboriginal, from non-English-speaking backgrounds, or with disabilities. Programs are needed that link infant welfare, childcare and pre-schooling, especially for children with working mothers of low socio-economic status.^{xiv}
 - 2.2 At primary and secondary school level the increased funding should be especially directed towards:**
 - Reducing the resources gap between wealthier and poorer schools;
 - Providing all schools with resources to deal with students with special needs, e.g. students from Aboriginal or non-English-speaking backgrounds, pregnant or parenting students, students with disabilities;
 - Reducing excessive reliance on casual or short-term contract staff in schools;
 - Strengthening the teaching of maths, science and languages, e.g. by providing scholarships to encourage students to qualify as teachers in these disciplines;
 - Restoring Commonwealth Funding Support for the Teaching of Asian Languages.
 - Increasing the number of Indigenous teachers as a strategy to improve educational outcomes for Aboriginal children, especially in remote communities, e.g. by providing training scholarships..
 - 2.3 At tertiary level the increased funding should be especially directed towards:**
 - TAFE programs, including provision of free places, designed to improve the capacity for employment or further education for students disadvantaged by poor outcomes within the Australian education system or by post-school age arrival in Australia as immigrants or refugees;
 - Reducing poverty levels within the tertiary student cohort by increasing Commonwealth funded scholarships, exempting equity scholarships from the income test for all recipients of Austudy, Youth Allowance, and various welfare payments such as Disability Pensions and Parenting Payments; making part-time study eligible for income support.
 - Providing grants for a 'writing-up' period for students who have completed their doctorate, but require further qualifications in the form of publication in order to enter academic employment;
 - Increasing university staffing levels generally, but with special emphasis on reducing levels of casual and short-term contract staffing;
 - Funding for research assistance for Early Career Researchers;
 - Increasing the representation of women in senior university academic and administrative positions through strategic measures such as the provision of adequate maternity and paternity leave, mentoring programs, and special research grants or incentives to include women in funded research teams, especially with respect to women returning to academic employment after maternity leave or other periods as family carers.

Endnotes

ⁱ AFUW thanks the Treasurer for the opportunity to take part in the pre-Budget community consultation. We are aware that The Budget is subject to financial constraints and that savings must be found to support increased expenditure in any one area. However, we have been heartened by the emphasis placed on education by the ALP's pre-election policy statements and hope that this indeed means that education at all levels will be treated as a budget priority.

ⁱⁱ For elaboration of this position, see AFUW Submissions to the Senate Inquiry into the Capacity of the Public Universities to Meet Australia's Higher Education Needs (2000–2001); 3 Submissions, including one on Indigenous Education, to *Education at the Crossroads*, the Higher Education Consultative Process of the Minister for Education, Dr Brendan Nelson (2002) and Submission to the Senate Employment, Workplace Relations and Education References Committee Inquiry into Higher Education Funding and Regulatory Legislation (2003).

ⁱⁱⁱ See OECD Education at a Glance 2007 Report and the speech to the House of Representatives delivered in response to that report by Stephen Smith as Shadow Minister for Education, 19 September 2007. Australia's public expenditure on education as a proportion of total public expenditure has declined by nearly 6% since 1995, and as a proportion of GDP compares unfavourably with OECD averages in all sectors from early childhood education onwards, although most noticeably in the areas of early childhood and tertiary education

In the Higher Education sector, the DEST Selected Higher Education Finance Series shows a small rise in the 2006 percentage of Higher Education funding provided by Commonwealth grants (from 41% in 2005 to 42% in 2006). However, this barely arrests the previous annual decline from 57% in 1996 to 41% in 2004, during which period the percentage of total Higher Education revenue derived from Fees and Charges rose from 13% to 24%. The 2006 DEST tables give a figure of 22%, but a further 3% is listed as coming from 'Upfront student contributions' (a form of direct fee payment). The Group of Eight Backgrounder No. 1 for 2007 cites a decline in the Commonwealth share of university funding from 83% in 1986 to 57% in 1996 and 41% in 2006 and a rise in revenue from student sources from 2% in 1986 to 25% in 1996 and 38% in 2006 (this figure includes HECS revenue, treated separately in DEST reporting).

^{iv} The Australian Education Union comments in its 'Preliminary Summary of Selected Statistics' from the OECD Report (September 2006): 'Not only does Australia rely on private household income to fund non-tertiary education to a much greater extent than most OECD countries, this type of expenditure is an increasing proportion of expenditure'. Increasing controversy over so-called 'voluntary contributions' required for students in public schools bears witness to this claim, but an important recent and likely to increase component is full-fee university places for Australian students. Both the costs of these and the number of students taking them up have increased significantly since their introduction. In 2003 the Federal Department of Education reported 16 courses at the Universities of Sydney, Melbourne and New South Wales for which fees had exceeded \$100,000 in 2002: it also reported that only about 2% of all Australian undergraduates were paying full fees. The introduction of the loan scheme FEE-HELP boosted numbers – in 2005 Melbourne University, for example, reported that 8% of its first year intake consisted of domestic fee-paying students. Growing numbers of these university places have serious implications for student indebtedness. As the then Shadow Minister for Education, Jenny Macklin, pointed out in 2005, they also raise problems of equity, since the score required for entry into university is lower for full-fee paying students (e.g. a required score of 96 for a domestic full-fee place in Law at Melbourne University as against a requirement of 99.4 for a HECS one).

^v While noting that Australia contributes more direct public funding to private schools than most OECD countries, AFUW does not suggest that private schools should be excluded from public funding, but it believes that public funding should be expended where there is greatest need, which is most often in public schools in socio-economically depressed areas. This is not only for reasons of equity, but because ‘education inequalities of opportunity are causing a huge waste of potential human capital’ (Fred Argy, Visiting Fellow at the Australian National University). A Centre for Population and Urban Research report, noting that although fewer than 20% of year 12 students go to independent schools, they receive about one third of university offers, comments: ‘the government sector is no longer serving as a ladder of educational opportunity for aspiring students from low socio-economic areas’. In an Education Forum in *The Sunday Age* (15 August 2004) Professor Simon Marginson argued that ‘Education policy should pay special attention to lifting the quality of low-achieving schools in socio-economically depressed area, for example using incentive payments to attract the best teachers’ – i.e. by funding initiatives.

^{vi} Australia needs the skills that depend on adequate school grounding in these disciplines. Languages have not been an area of strength, but in the global world they are more and more needed, especially for strengthening our growing trade, diplomatic and education links with Asia. Dr Nelson’s termination of the Commonwealth Fund to Support the Teaching of Asian Languages in 2002 was ill-advised.

Maths and science are needed not only in order to undertake many areas of tertiary education but also to sustain the workforce of engineers, scientists and tradespeople crucial to national prosperity, a fact recognised by the Queensland Department of Education when it set up its recent community consultation on the discussion paper ‘Towards a 10-Year Plan for Science, Technology, Engineering and Mathematics (STEM) Education and Skills in Queensland’. The discussion paper, which examines issues which must be addressed to increase participation in STEM study and careers from primary school to university and beyond can be accessed at <http://www.education.qld.gov.au/projects/stemplan>

The submission made by the Education Committee of AFUW-Queensland laid particular emphasis on the importance of teaching in these areas at primary as well as secondary level.

^{vii} Full and accurate information about the number of casual staff and their working conditions is extremely hard to obtain. It is significant that the information provided on staff numbers by DEST, the number of casual staff is ‘estimated’ and, unlike other categories, not differentiated for gender. There is, however, a great deal of evidence of dissatisfaction with any career path that involves prolonged experience of casual or short-term appointments. A recent survey of casual academic staff conducted by the National Tertiary Education Union identified the following concerns:

- Insecurity inherent in casual employment
- Pay rates
- Expectation of work outside contracted hours
- Poor treatment by university administration
- Lack of resources provided by the university to support their work
- Concerns regarding the impact of such appointments on the quality of education provided to students
- Expansion of casualisation in the sector

(See *Advocate*, 14.1, March 2007 and also 14.2, July 2007: the latter reports on subsequent national Casuals Conferences and Forums).

A particular concern for academic women is that casual appointment and short-term contracts deny them access to maternity leave. A universal system of paid maternity leave would at

least remedy the adverse economic aspect of this, even if it did not provide the degree of job security that is so essential to the career paths of women in the academic sector (as in others).

In the schools sector, similar concerns among teachers about employment insecurity, detrimental effects on quality of education and the expansion of casualisation are expressed by practising teacher and postgraduate student, Peter Job, in the article 'Contracts for Teachers Do Untold Harm' (*The Age*, 22 October, 2007). This cites a survey showing that 75% of first-year teachers in Victoria are on contracts, and that the Education Department provision that teachers must be made permanent after 3 years on contracts is frequently over-ridden by broad exemptions available to schools.

^{vi} Concerns among academic casuals about expectation of work outside contract hours and impact on quality of education are related to the marked and budget-driven increase in university student/staff ratios. In 2004 the AVCC warned in its Submission to the Review of the Indexation of University Funding that 'continued increases in the ratio of staff to students will create the risk of reduced effectiveness of university learning and teaching': a warning later repeated more emphatically in a media release (28 October 2007) from the Group of Eight: 'With rising costs of university teaching and research, insufficient Government funding is causing student staff ratios to blow out, putting intolerable pressure on the quality of student learning experience as well as on staff. The Student/Staff Ratio has risen from 14.1 to 1 in 1986 to 19.1 to 1 in 2006 . . . The world's leading universities typically have ratios of less than 10 to 1.'

^{ix} Government funding for research in universities has not kept pace with the growing demand for its performance, with the result that competition for what is available has become so fierce that it is possible to argue that it is distorting the 'teaching and research' mission of universities and the career paths of academics. The 2007 success rate for Australian Research Council Discovery Projects –the chief source of research funding for most academics – was 21.4%, with that of NHMRC applications being somewhat higher at 27.9%. As Gavin Moodie pointed out in *The Australian Higher Education* (8 December 2007): 'A failure rate of almost 80 per cent for the ARC and just over 70 per cent for the NHMRC means an enormous waste of time, effort and resources by university researchers preparing and submitting proposals, the research councils' referees who are the country's top researchers, and by research leaders and administrators in both the universities and the research councils. There is a good case for further increases in the Australian Government's funding for the ARC and NHMRC. The Government doubled funding for the NHMRC over the period 2000 to 2005 and it doubled the ARC's funding from 2001 to 2006. While these increases were welcome, to some extent they compensated for previous years of static funding and the steady erosion of universities' untied funding for research.'

Women and research funding: A noticeable feature of the ARC statistics is the poor share of research funding obtained by women. This does not result from their success rate, which is only slightly lower than that of males (21% as against 23.5%), but from the low rate of application (about 33%). This does not correspond to the overall representation of females among academic staff and needs investigation, especially as research performance now dominates promotion requirements. While there may be personal reasons among the younger age groups, the disparity in numbers of applications from age 45 onwards (which becomes even more marked from 55 onwards) is likely to be due to the poor representation of women at senior levels of appointment, (no statistics are supplied as to the appointment levels of applicants). Seniority and a consistent track record in publications and obtaining grants will weigh most heavily in the case of older applicants.

An apparent anomaly in DEST staffing statistics is that the single category in which women substantially outnumber men is in Research Only staff, but this is in Fractional Full Time appointments. Many of these are probably Research Assistants and unlikely to attract grants in their own right.

A number of suggestions for improving the participation of women in research, including work/family balance policies, mentoring and transparent workload models are included in 'When Research Works for Women', the report of a qualitative study led by Maryanne Dever, Director of the Centre for Women's Studies and Gender Research at Monash University (available at www.adm.monash.edu.au/sss/equity-diversity/wlas/when-research-works.html)

Postgraduates and research funding: Problems of accessing funding for research may account for the 30% decline from 1995 to 2006 in the number of students starting higher degrees in research. Other causes may be the expensiveness of postgraduate study, or disaffection with the idea of pursuing an academic career thanks to factors outlined in Notes v, vi and vii. Whatever the cause, a decline in postgraduate numbers is not good for either educational institutions or the workforce in general.

^x In 2006, Commonwealth grants for teaching purposes represented 24% of total university operating revenue, but over the period 1996–2006 direct Commonwealth support for teaching purposes declined by almost 20% per student place, despite substantial productivity increases in teaching since 1986 (Group of Eight Background No.1, 2007). The Group of Eight warns that 'higher efficiency gains are unlikely to be sustained without a diminution of quality' and argues that what is necessary to sustain the universities' teaching mission is a new system of Indexation for Commonwealth Grants for Higher Education in which funding rates for all Higher Education institutions relate to the actual costs of teaching. This has not been achieved by the competitive Learning and Teaching Fund set up as part of the then Minister for Education's 'Backing Australia's Future' reforms. For a detailed critique of the methodology and outcomes of the LTPF, see Leesa Wheelahan's 'How not to fund teaching and learning', *Australian Universities Review* 49, 1 & 2 (2007).

^{xi} See DEST Selected Statistics in Higher Education and also note vii above.

^{xii} By 2004 concern over levels of student poverty had become sufficient to provoke a Senate Inquiry into Student Income Support. 140 submissions were received from a wide range of universities, student organizations, education unions, NGOs and other respondents and the Report was finalised in 2005. Given that Government senators disagreed with 8 of the 15 Recommendations (especially those with immediate financial implications), it is hardly surprising that very few had been implemented by late 2007, even though it could be shown that students in 2004 on the maximum Youth Allowance plus Rent Assistance (not available to those over 25) were \$100 below the Henderson poverty line, then \$302 per week. Student experience of poverty in 2008 still remains very close to that outlined in the lengthy report published in 2004 by the University of Queensland: 'Student Poverty: The Lived Experience of Undergraduate Students Attending the University of Queensland'. Even an agreed Recommendation – that DEST 'undertake an analysis of the costs and benefits associated with exempting university-funded scholarships and scholarships funded by benefactors and philanthropists from the social security personal income test' – has not produced the implied outcome, so that the Group of Eight was still arguing in a Press Release of 4 November 2007: 'A student who is awarded a private or university scholarship can lose most of his or her Youth Allowance, because income above a certain point cuts the payment by up to 60 cents in the dollar. This makes the scholarship almost worthless and was the reason behind the Go8's

recent decision to discontinue its equity and merit scholarship scheme. The Government exempts its own equity scholarships from the income test but there are simply not enough to go around. . . . Exempting all equity scholarships from treatment as income would provide an incentive for universities and other non-government organizations to provide more scholarships.’

The capacity of welfare recipients such as those on disability pensions or Parenting Payment to access tertiary study has been if anything lessened under the Welfare to Work regulations introduced by the past government, since they not only suffer reduction in benefit subsequent to receiving an equity scholarship, but are unable to have part-time study, the form most likely to be feasible for them, recognised as fulfilling their work obligations. Moreover, the Social Security Guide, Section 3.5.1.180 on Approved Activity – Study, which deals with the various conditions applicable to part-time and full-time study, contains a note advising Centrelink staff that: ‘While PP recipients with mandatory participation requirements are able to enrol in and complete higher degrees, such as a Doctor of Philosophy or most masters degrees, this should be discouraged. PP recipients should be encouraged to undertake courses that will help them get a job and which are of a vocational nature.’ This is very short-sighted policy, as evidence clearly demonstrates that the ultimate income of university graduates is higher than average and brings with it increased capacity both for economic independence and contributions to tax revenue.

The Universities Australia Fact Sheet on Student Finances 2006 Final Report summarised key findings of a national survey of the financial circumstances of students in public universities. Apart from undergraduates the three groups identified as under most financial pressure were full-time postgraduate coursework students, female students and Indigenous students. Among other things noted were the following: Female students were more likely to have a budget deficit, less likely to have savings for an emergency, more reliant on free or subsidised services provided by universities of student association, more likely to have taken out a repayable loan in order to study than male students (but borrowing smaller amounts than those males who had borrowed). 72.5% of Indigenous students identified their finances as a source of anxiety and a higher proportion of Indigenous students , especially postgraduates (40.3%), reported that they regularly missed classes or other study activities because of their paid work commitments (see paragraph below). The full Fact Sheet can be viewed on the Universities Australia website www.universitiesaustralia.edu.au

Poverty and student performance: The Go8 Press Release cited above also reports: ‘Forty per cent of full-time undergraduate students say that paid work adversely affects their studies.’ The Australian Universities Fact Sheet cited above shows that this also applies to postgraduate students, and at that level particularly affects Indigenous students. Since hours earning income for living expenses cannot be spent on study, student poverty has equity implications not only for access, but also for performance. And performance determines future outcomes whether the student wants to proceed to employment or to further study (it is difficult to gain a Commonwealth Postgraduate Award with a result below a First Class Honour).

^{xiii} See p. 230 of Education at a Glance. We realise that these are 2004 figures and may need adjustment because of subsequent funding decisions, however we note that expert commentators who responded to the 2007 publication of the Report believed that the essential disparities between Australia and the OECD averages remained. Meanwhile all education sectors can demonstrate adverse effects on quality and equity arising from underfunding.

^{xiv} The Report on Childcare Consultations prepared by the WomenSpeak Secretariat for the Office for Women argued that this could best be achieved by providing child welfare,

childcare and pre-school on a location shared with or adjacent to a primary school. This would clearly require long-term planning and financing.

Submission presented on behalf of the Australian Federation of University Women by Dr Jennifer Strauss, President, AFUW Inc

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