

Australian Universities Accord Panel Discussion Paper Consultation

Submission by the National Foundation for Australian Women Social Policy Committee

I respectfully make this submission on behalf of the National Foundation for Australian Women Social Policy Committee. It addresses the first theme listed in the discussion paper, meeting Australia's knowledge and skills needs, now and in the future. Section 1.3 asserts that a priority for the Panel is to explore the fundamental role of higher education in contemporary Australia. It is my contention that the role of higher education needs a thorough revision that must begin with a change in the philosophical approach taken over the last 40 years. Whereas university education was once regarded as an important component of civil society, a crucial part of creating and maintaining a civilized society, it has become an adjunct of the economy, worthy of funding only insofar as it can produce valuable products. Successive governments have approached higher education from a perspective that goes far beyond utilitarian and that has caused untold damage.

Origins of the problem

Since the 1980s, Australian education policy has been adversely influenced by neoliberal philosophy, and this approach has led directly to problems currently besetting the sector. Traditionally, a university education was understood to encompass intellectual and character development as well as academic or professional knowledge, but neoliberal philosophy regarded a degree as a commodity like any other (Hayek 1960). This idea was slow to gain acceptance in Australia, but by the 1980s, economic rationalism had gained ascendancy in policy making circles. The Hawke government introduced a range of policies intended to modernise the Australian and increase its global competitiveness. As part of this process, it deliberately refashioned the role of higher education to link it to economic productivity. It set out to change public attitudes about the purpose of education and responsibility for the costs involved by stressing the economic benefits of education to the individual and highlighting the cost to the community. When the Hawke Government came to power in 1983, 91 per cent of university funding derived from the federal government and three per cent from fees, charges, and research income.

The introduction of the Higher Education Administrative Charge was the first step in shifting the cost of a university degree to students and their families (Power & Robertson, 1988). The government argued that graduates could easily afford to pay a small part of the administrative costs relating to university degrees, but there were members of the government who questioned its role in funding university education at any level (Smart & Dudley, 1990).

The 1986 Commonwealth Tertiary Education Commission (CTEC) demonstrated the extent to which the government's understanding of the purpose of university education had changed. CTEC found that university funding had remained unchanged in real terms for more than a decade while student numbers had increased by 25 per cent, but instead of suggesting an increase in government funding it repeatedly warned that the universities should not waste scarce public funds and urged them to relieve the taxpayer's burden by raising as much income from the private sector as possible (Commonwealth Tertiary Education Commission, 1986).

Neoliberalism affected members of the public servants who would administer policy as well as the policy makers in government. Students who studied neoliberal economics at university in the 1970s and '80s carried those attitudes with them into key policymaking positions in both the federal government and state governments and into private enterprise where those attitudes have continued to influence public policy (Pusey, 1990). The language of education changed: higher education was discussed in terms of the direct contribution it should make to the national economy, not to personal or civic development. New policies that valorised the free market, education policymakers began to talk about "benchmarks", a term that had originally been used in engineering workshops. Education became another service for which the consumer should pay.

Nor were the universities themselves immune. The Australian Vice Chancellors Committee's response to Dawkins' White Paper suggested that economic rationalism had infiltrated here as well.

The institution will have courses which meet national and international standards at a high level; the institution will have courses which meet criteria prescribed by the

relevant professional associations, as appropriate; the academic staff of the institution will have high qualifications and professional standing in the community with their peers; the institution will have a demonstrated capacity to produce graduates who have good employment acceptability (AVCC, 1989, p 1).

The value of a university education is described in terms of employability and professional standards, there is no mention of personal development, of creativity, of critical thinking or of any benefits to society.

Attitudes hardened under the Howard government. The university sector was an unaffordable expense. The 1996 Budget delivered a cut to the universities operating grants of 4.9 per cent over three years – the first cut since the 1940s and refused to fund salary increases for university staff, despite conceding that they were justified (Laming, 2012). The 1999/97 budget increased the rate of HECS repayments and reduced the repayment threshold. (Edwards, 2001). Changes to Austudy and unemployment benefits also required students and their families to absorb a substantially larger proportion of the costs of their education (Sharpham & Harman, 1997). In 2014, Australian students contributed around 40% of the cost of a Commonwealth-Supported Place. Further cuts to recurrent funding of 20 % in real terms were announced in 2016, while universities were encouraged to charge students any amount that they wished to cover the shortfall (Department of Education and Training, 2016).

The decline in status of higher education was underscored by the redirection of \$152.2 million from the Higher Education Participation Program to ‘budget repair’ measures and other policy priorities in the 2016-17 Budget (Commonwealth of Australia, 2016). A further \$20.9 million was ‘saved’ by closing the Office for Learning and Teaching (OLT), which identified and promoted innovative and effective approaches to that supported students from diverse backgrounds.

By 2017, the average student share of fees had increased to 46%. Minister for Education, Simon Birmingham, announced that he had been instructed by the federal cabinet to find around \$1 billion savings from higher education spending a week before the budget even though recurrent funding was already well below the OECD average.

Over-reliance on international students

Faced with repeated cuts to recurrent funding, the universities looked for alternate sources of income. Fees paid by international students soon became the preferred source. International students had been enrolling in Australian universities for several decades beginning in the 1960s. Numbers were small but grew steadily through the 1970s and 80s. The situation changed in 1990 when John Dawkins, the then Minister for Employment, Education and Training, introduced full fees for all international students. Fees would help to finance his extensive reforms, more importantly university education would become an export industry; however, fees did not become a significant source of university income in the early 2000s following successive funding cuts. Their importance increased over the next two decades. By 2019, international student fees made up 26.2% of all universities' revenue, and some universities were receiving around 30-40% of their total revenue from international enrolments. In some cases, students were charged 80% more than domestic students for the same course, something that many of them resented.

Had higher education been recognised as a significant contributor to the community rather than a drain on taxpayers, the universities would have been in a stronger position to respond to the COVID-19 pandemic. Instead, the travel restrictions had a devastating impact on their financial position. According to [the Australian Bureau of Statistics](#), 143,810 international students arrived in July 2019; in 2020 fewer than 40 arrived. Estimates of the financial impact vary, but it has been suggested that the smaller, regional universities will take more than twenty years to recover without specific financial help.

While the government did provide some relief in the Higher Education Relief Package, public universities were deliberately excluded from the \$130 billion wage subsidy package designed to the economic impact of COVID-19-related restrictions. Between March 2020, when Job Keeper was announced, and [May a total of six changes were made](#) to ensure that public universities remained ineligible. The loss of staff, both professional and academic, has had an almost incalculable effect on the quality of university education.

The government's treatment of international students during the pandemic was also characterised by a lack of care and compassion that is a hallmark of neoliberalism. International students could not study, or return home, yet they missed out on government subsidies while also losing their jobs. The long-term impact on Australia's reputation has yet to emerge, but there is some evidence that Australia is not the preferred destination it once was and that international students are choosing Canada and the UK.

Casualisation of university staff

The astonishing rise in the number of university staff employed on a casual basis and the outsourcing of courses to for-profit online providers are further demonstrations of neoliberalism at work in universities. Not simply the desire to maximise income, but a lack of respect for the human aspects of learning and teaching and the intellectual and creative work involved. At least one Australian university has been using recorded lectures given by sacked or deceased staff citing intellectual property rights as an excuse.

Since the 1980s, Australian universities have operated within a political environment dominated by neoliberal values that privilege economic transactions above all other relationships. Karstedt & Farrall (2003) argued that there was a clear demarcation between the value systems of adults born after the election of the neoliberal Thatcher government and those who had already reached maturity at that point in time. No similar research has been conducted in Australia, but statements like Minister Nelson's remarks about university funding being the same as providing a bigger bus for the passengers that would have been truly shocking in the 1980s, passed almost unnoticed in 2003 (Laming, 2012). Moreover, universities have had to absorb repeated cuts to recurrent funding while being instructed to find ways to increase the income they derive from students. The result is a collision of contradictory practices that undermines the universities' capacity to deliver their core functions of teaching and research.

Over the same period, the number of casual academic staff employed in Australian universities has increased markedly, although the actual number of casual staff is difficult to determine. There is no clear definition of the term, and we may not be describing the same jobs or people. Universities report casual staffing figures based on their own internal estimates (Bexley, James &

Arkoudis, 2011) making it impossible to collect exact numbers and calculate proportions. In 2004, Junor, (2004) estimated that as many as 40 per cent of university staff were employed on a casual basis, a figure that was in sharp contrast with the 25% in the general workforce at that time. This already high figure pales in comparison with May's (2011) estimate of 60% based on information obtained from the university superannuation fund. Regardless of the correct figure at the time, we know that it increased further during the pandemic.

The 2019-2020 Budget contained no additional recurrent funding for universities despite the difficulties they were facing. Consequently, universities sought any means available of reducing costs; even greater reliance on casual staff as well as cuts to student services. [Figures released by the Commonwealth government](#) found the number of full-time jobs declined by 7% over a twelve month period March 2020 – 2021. Coincidentally, Australian universities reported a combined surplus of more than \$5 billion, yet casual staff report being allocated only a fraction of the time actually required to prepare, teach and assess students' work. In effect, they are working unpaid overtime to subsidise their employers. Wage-theft is also a problem. The NTEU is concerned that many staff, predominantly casuals, are owed thousands in unpaid wages and that the universities are manipulating contracts to avoid their obligations. Staff are demoralised and students are unhappy at the cost of 'DIY education.'

Consequences and implications

Australian higher education has always had a strongly utilitarian streak. Our nation and the world do need highly skilled graduates and in general; however, it is possible for universities to have a dual purpose. They can produce graduates with excellent professional and technical knowledge, and they can produce graduates who are fearless in their pursuit of wisdom and understanding that will transform themselves and the whole of society (Jaspers, 1960).

Repeatedly seeking ways to strengthen closer ties between business, industry and higher education has devalued the higher education sector. It has become an adjunct to the economy rather than a valued part of civil society. Devaluation of higher education has made it vulnerable to the whims of successive governments looking to increase revenue and cut expenditure. The

origins of the problems besetting the higher education sector, over-reliance on international student fees to fund basic operations as well as research and the casualisation of the workforce, are clearly evident in the philosophical approach to education upheld in varying degrees by every Commonwealth government since the 1980s. The current university model, which relies on an insecure, poorly paid workforce with high workloads, needs to change urgently.

Recommendations

Increasing and guaranteeing recurrent funding for Australian universities is only part of the solution, although it is a crucial part of the solution given that nine of our thirty-eight public universities, have admitted deficits in 2022. If they are to meet Australia's knowledge and skills needs, now and in the future, then the government must reconsider the nature and purpose of higher education as well as its fundamental role in contemporary and future society. There is no single idea of the university, nor has there been throughout history, and it requires a more nuanced discussion than is possible in this submission, but the nature, purpose, and role of must be considered carefully given the scope of change that the world is facing.

Faced with a shift towards vocational and technical during and immediately after the Second World War, some academics expressed a fear that the universities would produce inferior graduates whose intellects were not fully formed by the experience of participating in campus life (Ashby, 1944). There was a belief that technical education could produce excellent technologists who were unfit to manage human beings or shape the policy of a large company or government department because they had not been educated in the humanities or social sciences and lacked understanding of matters outside their area of technical expertise (Ashby, 1958). As we face a new crisis that is arguably more serious than the war, it is time for us to reconsider those arguments and reflect deeply on what we want from our universities and their graduates. As a starting point, I recommend the following readings to panel members:

- Barnett, R. (1990). *The Idea of Higher Education*. Maidenhead: Open University Press.
- Barnett, R. (2010). *Being a University*. New York, NY: Routledge.
- Barnett, R. (2013). *Imagining the University*. New York, NY: Routledge.

Barnett, R. (2015). *Understanding the University: Institution, Idea, Possibilities*. New York, NY: Routledge.

Ronald Barnett is Emeritus Professor of Higher Education at University College London Institute of Education in London. His career has been dedicated to analysing and theorising the nature and purpose of higher education and what it means to be a student. His first book, *The Idea of Higher Education* introduced the four key concepts underpinning higher education: research, culture, academic freedom and thought and reason. He argued that:

Higher education is more than just a sub-set of the education system. There are certain values and aims which are intrinsic to educational processes and which warrant the description “higher education” ... because it is connected with not only the transmission of knowledge, but also its advancement through research, higher education has the task of legitimating society’s cognitive structures. (Barnett, 1990 pp 7-8)

The latter three volumes are a unique attempt at a systematic mapping of the complex entity that is 'the university', what it is and what it might be. Read together they provoke important questions for policy makers about what we want our universities to be, what we need them to be; not just more ideas about this topic, but better ideas that take it beyond narrow economic interpretations.

Sincerely yours,

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