

Cost Cutting at What Cost? Australian University Scenario

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ABSTRACT

The entire Australian university system has suffered from cost-cutting since 1996, when the federal government slashed the tertiary education budget by 11 percent, or some \$600 million. With reduced federal funding, universities are under pressure to generate external funding. All universities have reduced staff, abolished courses and have started charging for student services. The funding cuts have also resulted in unequal competition between universities. Smaller and newer universities are competing against older and more prestigious colleges for private sponsorships and direct fee-paying students.

Continuous federal funding cuts have resulted in cuts in staffing; student resources and universities have been forced to increase the fees. The universities in Australia are cutting down more and more programs. A closer scrutiny of selection criteria will demonstrate constant lowering of entry scores at intakes and consistent increase in fees. Staff student ratio is poorer than even at high schools leading to stress on teaching and learning resources. The recent introduction of full-fee for local students and increases in Higher Education Contribution Scheme- HECS payments has drawn criticism from students and general public, resulting in significant unrest on university campuses.

Together all 37 universities and the wider society need to join hands in influencing the government to look at spending on education as an investment in the future of the country. Higher education adds value to society's collective human capital by training people and giving them the skills essential to the needs of our society. Expenditure on higher education will help with employment of youth, thus reducing the burden on government's social security expenditure in the future.

INTRODUCTION

Due to federal funding cuts Australian universities have to increasingly depend on overseas student income for survival. There is growing concern amongst international students, due to poor quality teaching, lack of educational resources, and lack of student support services such as counselling and crisis assistance. Present funding system forces universities to compete against each other for research grants and to attract fee-paying students. Lesser known universities are losing out in the race for federal funding as the more elite universities, which have better teaching and research facilities and reputations are constantly winning the federal research grants. This drives the lesser known universities to rely on one source - the full-fee international students. Their desperate attempts to woo full fee paying students by constant lowering of SELECTION CRITERION is creating a poor education image of Australia. Also the teaching and research facilities provided are also often substandard. It is not uncommon to see substandard infrastructure for teaching and Lab facilities. This has serious implications and must be paid attention by AVCC and other governing bodies.

The Australian Government has to give some thought to revising funding model for higher education as Australian public derives benefit from the participation of individuals in higher education. Our society needs professionals. It needs nurses, lawyers, doctors, teachers, engineers, historians, economists, accountants, actors, scientists, graphic designers, interpreters, architects, researchers, surveyors, computer scientists, pharmacists, archaeologists, classicists, choreographers, journalists, political advisers, social workers and psychologists. Not only does it need people in these professions but it needs the best ones entering the professions. This can only be ensured if university entrance is based on purely on academic achievement and capability. The student feedback reveals the growing social tension over government education policy. Not only are budget cuts lowering education quality,

but the tough eligibility criteria for the government student income allowance, Austudy, has left the majority of students unable to receive assistance (Conachy 1999).

There is growing evidence that decreases in the public funding of universities has led to cuts to staff (academic and general) at most Australian universities, the closure of and/or cutting of funding to libraries, the closure of some departments and reductions in funding to essential student services such as child care and counselling (Marshall 1998, Conarchy, 1999).

According to Senator Natasha Stott Despoja (5), over \$1 billion a year has been cut from higher education. Half of that has been taken directly out of universities, resulting in fewer staff, fewer resources and less support for teaching and research roles. The other half-billion has come out of financial support for students, who now face higher fees and tighter means-tests if they choose to engage in education

Let us assume, for the sake of argument, that increasing fees will have a positive effect. Because it would at least improve financial situation of universities. To that effect one can see that Australian universities would have to further increase their dependency on full-fee paying overseas students as well as full-fee paying local students. But given the present economic situation of Australian families it is very difficult for many local students to embrace fees as high as 10-15 thousand per annum. Also those who can afford such fees might consider paying more and get international experience in much sought after universities of US or UK.

The Australian Government spends big money on social welfare and social security of its people. We believe this money is being spent at the wrong end of the problem, such as in social security to unemployed people and more and more pensions when these people grow old with little money or savings of their own. Given this knowledge, why can't we spend more on education so that far less people will have to depend, in the future, on social security and government pensions thus reducing the overall burden on government? Compare the feeling of a youth who gets government assistance versus one who gets government subsidy to live on the dole. Financial assistance at the right time can be a tool for social change. It can also provide the education resolution that Australia desperately needs.

2. HECS AND FULL FEES

Access to Higher Education (with the current funding arrangements) is already limited. It is well known that government-initiated equity measures currently in place are inadequate. There is very limited financial support for needy students. The government's 'Merit-Based Equity Scholarships' only provides students with an exemption from HECS. Such an exemption is insufficient to ensure that disadvantaged groups are able to participate. They also need adequate income support or living allowance.

Thousands of full-time university students are forced to work over 30 hours per week. The immediate difficulty of supporting themselves is only part of the economic burden they face. As they study, they are accumulating a HECS debt - the system of deferred university fees introduced by the Labor party government in the 1980s, which students must pay after they have entered the workforce. A student graduating from a three-year degree course can now be liable for a debt of over \$15,000. Imagine the life of a youth with HECS allowance, \$160 per week, or \$32 per day or \$4 per hour. Is this not below poverty line living in Australia? Even an unemployed youth gets more from social security. Does it not create temptation to dump books in the bin and head for the good life outside university? A stage will come when youth from working class and lower income groups may not opt for higher education due to the cost factor. Already, about 9 percent of students are from the lowest 25 percent income bracket (Conachy 1999).

The introduction of full-fee paying local places has done little to increase enrolment in programs when most families and students struggle to pay their HECS. Continuous increase in HECS is surely going

to further reduce the number of local students enrolling in Australian universities. This situation can only be addressed by the restoration of free tuition, the provision of universal student allowances and a massive injection of government funding into tertiary education.

Due to high fees and increasing living costs students do not buy prescribed text books (given the high cost of text books). In every other country, text books are highly subsidised but this is not the case in Australia. For example, a text book by same author and the same publisher costs in Australia 110 Australian dollars and the same is available in India for less than ten Australian dollars. Is 12 to 15 times price difference acceptable? Given that most international students are coming from Asia where text books are available at greatly reduced prices the students have hesitation in buying such expensive text books in Australia. Heavy costs of text books of course, disadvantages students and this comes at an academic cost. Government should look at subsidising text books to make the price of text books more affordable. Alternatively at least means tested students should get a text book allowance that can only be spent on buying prescribed text books.

3. LARGE CLASS SIZES

One phenomenon resulting from cost cutting is very large class sizes, especially in the first two years of undergraduate programs. Large class sizes of up to 400-500 students is becoming a norm at the initial levels of degree programs -- especially in popular programs such as IT, business and engineering. Quality of education is rapidly declining, because in larger classes students do not pay attention. No matter how enthusiastic a lecturer is, student passivity is a big problem in large classes especially at the first year level. An impersonal atmosphere created by large classes tends to lessen individual responsibility and involvement and this results in decreased motivation to learn.

The challenges of large classes has been addressed by several people and their suggestions like learn their names, divide them into small groups, give frequent assignments etc are all impractical when the administration set up does not support classes as large as 400 students in a class. A class of 100 students is not a large class in this day and age. It is 400 + students class sizes that I am concerned about. One would have to break the 400 + class into 16 groups to get an acceptable number of students into lab or tutorial groups.

Often there is not sufficient funding to break these class sizes into such a large number of smaller groups so hands-on practical problem solving sessions are sacrificed and assessments are based on assignments and tests that are given to the whole cohort of students. These assignments are generally multiple answer objective type assignments. Due to heavy workload of academics and tutors these assignments are not marked on time and often student do not get feedback on their work on time.

Furthermore, timetabling becomes a nightmare given the flexibility provided in programs to students. These days no two students in a university seem to have the same timetable. Time table clashes are known as a major cause of poor attendance in some of the courses. To resolve these clashes students often change into courses that fit their timetable best irrespective of their interest in the subject.

Flexibility in program structures is an added by-product of cost cutting which is also having an adverse effect on quality of education. There is trend towards increased freedom with electives and also merging many similar courses together or offering less courses in a school and allowing students to pick up courses from other schools and faculties. To accommodate all types of students from different backgrounds and capabilities the prerequisite conditions are often relaxed to a great extent and it is not difficult to see students with varied degrees of capability attending the same course. In a small class such discrepancy in student capability can be addressed, but in large classes of over a few hundred students, it is unfair to call on instructors to be able to pitch his or her lecture to meet the expectation of all students.

In my own experience of teaching at first year in a class size of 400 plus students I noticed that students with good pre-requisite knowledge enjoyed the lectures and demanded that I should provide a little more challenging assignments while students with lesser capability wanted me to slow down in

lectures and often had poor results in their exams. The availability of small tutorial sessions for problem solving could have addressed the problem to some extent but limited funding was a constraint.

4. LACK OF PHYSICAL RESOURCES

A direct result of funding cuts can be seen in cuts in university resources available to staff and students. It is a common practice to close or cut down student facilities, cut library funds, or close small departments, closure of support services such as child care facilities.

An article from World Socialist Website (2004) shows students discontent in the following statements. 'Anyone with a brain can figure out the impact on the education of a student who has to sit on the floor, taking notes on his lap and not being able to see the overheads properly.'

'Class sizes keep getting bigger, meaning less face-to-face tutoring, less questions, less exploration of the subject material, less discussion, and ultimately a poorer education.'

'Education will potentially become a business, in which case the disadvantaged in society will not be able to easily afford an education and the wealthy will always be able maintain their elitist position by buying an education.'

MAcdoneslisation of education is another by product of cost cutting and I will postpone the discussion on its pitfalls for another time.

5. STAFF STRESS AND POOR STAFF STUDENT RATIO

The cost cutting has also forced all academics to look into outside income generation for their programs or research. This has diverted university staff from their core activity of teaching and research. The pressure to bring external funding now placed on academic staff is all time high although the opportunities to do so are very limited.

One major reason for the quality problems is the ever-increasing staff-student ratio in Australian universities. This is not only affecting the health of education system, but the impact of these pressures is also evident in the very high stress levels of Australian academics.

Australian academic salaries do not attract the best in the field. Adequate federal funding can benefit Australian universities in offering competitive salaries to draw the top people to teaching. Currently staff to student ratio in Australia is currently somewhere between 20:1, compared to 8:1 of Yale, Princeton and Harvard. Although we are far behind international education standards and quality in comparison to these universities, we can at least make our ratio a little more respectable so that we don't look as far behind as we do now.

An article in age by Rood (2004) indicated there has been 30 % increase in staff and student ratio over the past 7 years. Some universities showed jumps of over 40%. The chief executive of the Vice-chancellor's committee John Mullarvey said student to staff ratios in the universities were higher than in high schools, placing undue pressure on academics and hurting the quality of teaching. This increase is directly related to federal funding cuts.

One another reason for staff stress is a lack of staff development funds due to budgetary constraints. There is growing number of staff who are under qualified to teach in a tertiary institution by world standards. Many do not have PhD or even master's degree and therefore their chances of being promoted in their careers would be remote. Many of the staff find themselves under pressure to improve qualifications but appropriate mechanisms to do so are generally not there. Today's environment expects staff to be both experienced academics and have current industrial and professional experience -- especially in the technical fields. With an increasing use of technology and e-learning many staff find themselves ill-equipped to embrace new technologies. There are many research papers to suggest staff development in teaching and learning facilitates or propagates quality in their teaching. Even if training modules or courses are available university staff does not find time to attend them due to work overload and lack of motivation.

6. OVER DEPENDENCY ON FULL- FEE PAYING OVERSEAS STUDENTS

Since the Federal Government gave the green light to fee-paying overseas students in 1986, their numbers have grown rapidly. In 2002, there were over 253,780 students enrolled in Australian domestic and offshore operated campuses. These students spent \$2,719 million on tuition fees and another 2.5 million on goods and services purchased in Australia. Thus contributing \$5,177 million and creating thousands of jobs (Kenyon 2003). Although the initial push was to recruit students to Australian campuses, universities were quick to set up offshore campuses.

Australia's reputation as a high-quality provider overseas has been already challenged as plagiarism, soft marking and low entry criteria are on the increase. It is continuously being seen that students who can pay can get in with lower entry scores, (Will 1998)

A careful analysis of growth in university enrolments would reveal that the growth in overseas students is increasing many times in comparison to growth in local students in spite of population increase. Australia has 7 per cent share of the international tertiary education market, placing it third among English speaking countries. In 2002, Australian universities enrolled 153,732 students in higher education sector.

Contrary to the common belief, the majority of overseas students are not from the wealthy elite of their home countries, but from professional and middle class families. Many face extreme personal hardships while studying in Australia. While university education has become one of Australia's largest 'exports,' overseas students are denied any student concessions (most pricking one is in public transport) and face tight restrictions on their ability to work. In my opinion overseas students must qualify for concessions just like any local student as they pay high fees for their education and as a result help Australian economy.

For Australian universities the market is mainly Asian. Marketing in new markets like India have been very successful as the IT boom in that country has created a need for highly trained professionals. The Asia and Indian subcontinent have two types of customers: one that is price sensitive and the others who are quality sensitive. The number of quality sensitive customers is many times higher than the price sensitive customers. This can be estimated by the number of applicants for universities in North America and UK versus Australia. Australian universities are losing out on a very large share of their market by focussing on price-sensitive students. An urgent change in thinking is required and a new marketing approach is called to attract and maximise on quality sensitive customers. These fears about lack of quality in education and its impact on international market have been well elicited by many people but a concrete strategy to combat the problem remains.

The Australian economy benefits significantly from international students who come to Australia prepared to pay full fees for a high quality education. Universities also bring in considerable amounts of overseas money through international donors.

(AVCC 1996), Professor Gale said that if the Australian higher education system was adversely affected by big funding cuts, international students could decide to go elsewhere for a quality education. Other countries such as the United States, Britain and Canada were waiting eagerly to take over this important revenue earner from Australia. Further, donors of international research funds might be discouraged from providing grants if the universities have inadequate infrastructure to sustain them.

Cost cutting has seen a big increase in offshore delivery as a desperate measure to increase funding. Before 1990 there were very few offshore courses, but during the 1990s, Australian and British universities expanded their offshore operations dramatically. As education goes global, university degrees, like hamburgers and soft drinks have become one more 'product' which can be franchised to overseas supplier (MacLeod 1998).

The motivation for establishing offshore programmes is primarily commercial. Universities operating offshore operations seek both to generate additional sources of income from these programmes and to increase the institutions visibility overseas in order to attract international students to courses in Australia.

7. CONCLUSION

On one hand we want to claim ourselves as a developed nation with an ever-developing and expanding economy, but on the other hand we continue to do little to raise public money for public education. The return on education spending will pay dividends in terms of social, environment and economic benefits to the nation, and in well paid jobs. Increasing burden on students via high fees will negatively impact on students from low socio-economic backgrounds and mature age students who may decide to abandon uptake of higher education to avoid debt. Increasingly students' career choice may revolve around cheaper courses and expensive courses will be left for higher socio-economic groups creating a society of have and have-nots. Growing dependency on international students in Australian universities is an indication that internationalisation is driven solely for economic gains which has attracted much criticism overseas.

There is a big gap in Australia between educated and uneducated class. Increase in fees will further reduce the number of students opting for higher education, which would further create unemployment, dissatisfaction in youth and further dependency on social security.

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