$1bn reduction smacks of hypocrisy, say educators

THE Gillard Government has been accused of hypocrisy for preaching the virtues of education while cutting and delaying funding for universities and training.

Educators say $1 billion in higher education cuts over four years in the mid-year budget will cost 1450 research jobs, turn away foreign students and produce lower-quality graduates. Students taking university scholarship courses will give up $82.3 million meant to fund things like textbooks as the Government ditches a plan to index their $2050 payments. Masters students will miss $167 million as an extension of financial support is delayed until 2017. About 10,000 students who have been overpaid payments like Youth Allowance will be hit with interest charges for the first time if they refuse to give back the money, saving the Government $33.5 million in bad debts over three years.

More than $300 million in savings will be made as trades training in schools is extended but delayed. School teachers have had $175 million in reward payments put off. And universities will miss out on $499 million previously earmarked for research and infrastructure and have had $270 million in performance funding deferred.

- Jessica Marszalek
Some of Australia’s lowest-achieving high-school students will become the next generation of teachers.

It is a sobering thought for parents whose children are yet to reach school years and one being tackled by educators, university chiefs and state and federal governments as they investigate setting national minimum standards for teaching admissions.

Last year in South Australia, first-round teaching university admission scores ranged from 70.0 to 76.80. But interstate, it was a different story.

A national scorecard recently revealed students with university admission scores below 50 gained entry and are now studying to become future teachers.

At the Australian Catholic University in Queensland, the 2011 ATAR (Australian Tertiary Admission Rank) was as low as 56, while at Western Australia’s Murdoch University admission scores were almost as low at 56.7.

All universities, including those in SA, offer bonus points to students living in rural areas and attending disadvantaged schools. That means many students could actually gain entry into teaching courses with scores much lower than 50.

University of South Australia head of education Professor Geraldine Castleton said high ATAR scores did not always reflect who would be the best-performing teachers.

“Personal characteristics of people such as having empathy with students… these people can be very effective teachers,” she said.

Mrs Castleton said that both the government and the community needed to place a higher value on teachers.

“There is a need for a commitment and understanding within the community of the difficulty of the work and potential rewards of becoming a teacher,” she said.

State Education Minister Grace Portolesi said good teachers made a big difference to how children learn.

“We want to attract the best and brightest to teaching as a profession,” she said.

Ms Portolesi said there were many elements to what made a good teacher – including a strong ATAR score. “The department is working with the universities as part of the Teacher Education Taskforce to continuously improve standards for our new teachers,” she said.

Ms Portolesi said the state was rewarding high-quality teachers through the SA Public Teaching Awards and pay increases.

Additionally, the Federal Government was pushing to overhaul teaching standards, where it would deliver additional training and support to the profession.

The Better Schools program, part of the National Plan for School Improvement, would be phased in from 2014 and includes the following goals:

**STUDENT** teachers will have
more practical classroom experience before they graduate. **NEW** teachers will be given extra time out of the classroom to plan lessons, and receive mentoring by experienced teachers. **ENTRANTS** to teaching will be in the top 30 per cent of literacy and numeracy results. **ALL** teachers and school principals will have access to ongoing training throughout their career. **TEACHERS** will undergo an annual performance review.

In his review to the Federal Government on national schooling, businessman David Gonski recommended students must attain an ATAR of 70 as minimum entry to the course. Tertiary Education Minister Chris Evans projected an estimated 40,000 teachers were needed in the workforce between 2016 and 2020 to account for the retirement of Baby Boomers. A spokeswoman from his office said the Government wanted to design a system that would attract the best people to teaching.

**UNISA** student Amy Roe, 22, who just completed a Bachelor of Primary and Middle School Education, said she loved being a teacher. She received an ATAR of 80, but doesn’t believe students need to have the brains of a “mathematician” to teach. “You have to have a passion for it,” she said.

Her sister, Chloe, 19, who is in second year of the same degree, loves teaching already. “I enjoy having an opportunity to teach kids different things,” she said.

### TEACHING ENTRY SCORES

#### INTERSTATE
- Australian Catholic Uni (NSW) Bachelor of Teaching (EC) 59.25
- Australian Catholic Uni (VIC) Bachelor of Education (Pri) 58.85
- Victoria Uni (VIC) Bachelor Applied Science-Phys Ed (Sec) 57.5
- Murdoch Uni (WA) Bachelor of Education (Pri) 56.7
- Australian Catholic Uni (QLD) Bachelor of Education (Pri) 56.0

* Source: The Good University Guide

#### SOUTH AUSTRALIA
- University of Adelaide Bachelor of Teaching/Arts 75.00
- University of Adelaide Bachelor of Teaching/Math and Computer Science 76.80
- Flinders University Bachelor of Education (Mdl and Sec)/Bachelor of Disability Studies 76.60
- University of South Australia Bachelor of Education (Pri) 85.50
- University of South Australia Bachelor of Education (Pri and Mdl) 75.00

*A selection of teaching degrees from SA.
Swan could dump surplus if he had to

By PHILLIP COOREY

THE federal government is prepared to jettison its promise to return the budget to surplus this financial year rather than make more harsh cuts should economic conditions deteriorate further, it has been revealed.

To salvage a slender surplus of $1.1 billion for this financial year and keep the budget in surplus for the years beyond, the government unveiled yesterday another $16.4 billion in savings over four years.

These included $1.1 billion in cuts to the 30 per cent private health insurance rebate, a paring back of the baby bonus from $5000 to $3000 for second and subsequent children, and bringing forward $8.3 billion in company tax revenue by requiring it be paid monthly not quarterly.

The higher education sector took a $1 billion hit that included the freezing of $500 million in research grants.

The mid-year budget update says the cuts were needed to protect the surplus as declining global growth and commodity prices stripped the budget of $4 billion in revenue for this financial year, and $21 billion over four years, since May’s forecasts.

Wording inserted into the document warns that having to make more cuts this financial year should the $1.1 billion surplus begin to recede must keep in mind the impact on economic growth and the vulnerable.

“The government will continue to balance these considerations, particularly if there is any further deterioration in economic conditions or in tax receipts,” it says.

Treasurer Wayne Swan declined to confirm whether he would cut again if necessary.

Business has urged the government to stop striving for a surplus in hard times to meet a political deadline because this risked hurting the economy.

The budget update forecasts a $1.1 billion surplus for 2012-13, down $400 million on the $1.5 billion forecast in May. It forecasts unemployment to average 5.5 per cent this year and next, and growth to stay at a trend rate of 3 per cent, down from the forecast 3.25 per cent.

Declining tax receipts were the main culprit due to falling mining profits.

Company tax fell sharply and the mining tax, which began on July 1, had its forecast earnings in its first four years downgraded from $13.4 billion to $9.1 billion.
RESEARCH FUNDING

$1b cuts tipped to hit jobs, overseas students

By BIANCA HALL and BENJAMIN PREISS

MELBOURNE University will have to abandon plans to hire about 200 people in coming years because of federal government funding cuts, the university’s head of research says.

Australia’s universities are in uproar over yesterday’s midyear budget cuts of more than $1 billion to the sector.

Melbourne University deputy vice-chancellor of research Jim McCluskey said the university would lose between $90 million and $100 million over four years.

“Victoria is a very research-intensive state. We are disproportionately hit,” he said.

The midyear economic and fiscal outlook revealed funding for Sustainable Research Excellence grants would be frozen at current levels for the next four years, saving the government $499 million over four years.

The grants support the “indirect” costs of research, such as administrative, equipment and staffing costs not covered by research grants.

“For every researcher you need at least one and probably two support staff,” Professor McCluskey said.

Universities had already factored the research excellence funding into their budgets, he said. “That’s the clever part of the political tactic. They’re taking money away we didn’t have yet.”

Professor McCluskey said there was a strong connection between a university’s international standing and its research output. High-performing research universities could more easily attract international students, who contribute about $15 billion to the Australian economy, he said. “We’re going to put that at risk to save $1 billion over four years.”

The cuts, combined with other changes, funding freezes and delayed payments, will leave the sector more than $1 billion worse off over the next five years.

But Finance Minister Penny Wong insisted the government had overseen record rises in university funding, increasing its investment to more than $43 billion between 2008 and 2011. It would invest $58.9 billion in 2012-15, she said.

“When it comes to research, we’ve increased spending on research by more than 40 per cent since 2008,” she said.

The government “unfroze” almost $880 million in Australian Research Council grants, and $154 million in Cooperative Research Centres, that was frozen in August. It also unfroze a further $652 million in National Health and Medical Research Council grants on Friday.

The government will spend an additional $381 million on student loans, rising to $2 billion over four years, with more students taking up higher education. But other forms of student support have been cut. Student income support for master’s students will be delayed until 2017, saving $167 million over three years from 2013-14.

Council of Australian Post-graduate Associations national president Meghan Hopper said she was surprised and disappointed by the cuts.

“These cuts may help the government achieve surplus in the short-term but they dismiss the long-term benefits of higher education to our economy and research output,” she said.
Melbourne University deputy vice-chancellor of research Jim McCluskey yesterday.
The politics of surplus

Labor’s budget surplus comes at great detriment to the economy.

TIM COLEBATCH

THE most important figure in the mid-year economic and fiscal outlook is in a table on page 56. It shows that unexplained variations to the budget estimates will cut spending in 2012-13 by almost $3 billion.

By definition, these variations are not due to changes to policy, the state of the economy, or in the costs of individual programs. Yet they are the reason why we will have a budget surplus of $1.1 billion, rather than a budget deficit of $1.9 billion.

But what are they? No information is given. We the taxpayers provide the money for this, but are kept in the dark about where and why $3 billion of planned spending suddenly will no longer happen. These unexplained spending cuts are the reason why the battered 2012-13 budget is still expected to end up in surplus.

It typifies the murky, spin-driven way in which governments now present the nation’s accounts — and allow economic decisions to be driven by political imperatives rather than economic ones.

The overriding goal of this budget update is to ensure that the accounts for 2012-13 end up in surplus. That is not because the economy requires it — take out mining investment and the rest of the economy is anaemic — but because Labor pledged to deliver a surplus, and the Liberals have used their rhetoric to make it the test of Labor’s ability to manage the economy.

Few economists agree. Australia’s finances are OK, but outside mining, its economy is weak. Non-mining business investment is at the lowest share of GDP for 40 years. More and more shops are empty. Mining export prices have fallen, yet the dollar remains crushingly high. The job market has weakened. Housing appears to be turning, and more mines are ready to produce, but falling prices and weak overseas demand mean they can’t support a fragile economy.

Treasury and the Reserve Bank agree that the economy is weakening. Yesterday they cut their estimate of real growth in 2012-13 from 3.25 per cent to 3 per cent: only a minor change, but the forecast of growth in current prices slumped from 5 per cent to 4 per cent, reflecting those falls in export prices, as well as a weaker economy.

Employment is now forecast to grow just 1 per cent over the year: 10,000 jobs a month, only half the growth in people defined as “working age”. Forecast growth in wages and consumer prices is down marginally, forecast growth in business investment down sharply. In short, the economy is forecast to keep muddling along, with mining investment growing rapidly and the rest marking time. That’s probably a reasonable call — if the world economy gets no worse.

Three points stand out. First, that is not a sensible environment in which to take $44 billion or 3.1 per cent of GDP out of the economy. The budget cuts haven’t had a big impact yet, but if they are real, they will — adding to the contractionary pressures from cash-strapped businesses, cautious consumers and underfunded state governments.

Second, not all those cuts are real. If there is a surplus in 2012-13, it will be because a host of fiddles over the past year shifted $9 billion of spending from 2012-13 into 2011-12. On one hand, that means the real contractionary impact is more like $26 billion or 1.7 per cent of GDP. On the other, it means a fiddle-free bottom line would be not a $1 billion surplus, but an $8 billion deficit.

Third, those fiddles apply only to 2012-13. That explains why the biggest new measure yesterday will take effect in 2013-14. For no good reason, companies will face the added
expense of making their tax payments monthly, rather than quarterly. They will not pay more tax, but in 2013-14, big business will have to pay tax on 14 months’ earnings, with medium businesses suffering a similar fate over the following two years.

I warned months ago that Labor’s pledge to slash its way to budget surplus in 2012-13 would force it into more and more bad policy decisions to keep ahead of a slowing economy. In May it scrapped its plan to cut company tax. Now, in effect, it has ordered a one-off increase in company tax to keep the budget in surplus in 2013-14. Both make Australian business less competitive at a time when we need to make it more so.

The same is true for many of yesterday’s announced savings — and probably for the $3 billion of unexplained savings on page 56. It’s fine for a government hiring more tax auditors to cut tax avoidance, which is the second biggest saving ($2.1 billion over four years). But some of its savings are bad policy born of fiscal desperation: cutting skills training and investment in research spending and higher education, hiking visa fees, cutting support for new exporters. How do they help to develop the future Australia?

They only intensify the real problem facing Australia: our overvalued currency. The International Monetary Fund’s database shows Australia now has the third most overvalued currency in the world, when you compare prices in each country. The high dollar has raised our incomes, but also our prices. It is great if you earn money in Australia and spend it overseas (as increasingly, we are). It is awful if you run a business that makes things here to sell to the world.

A decade ago, we had a low dollar that meant goods and services in Australia were produced at 77 per cent of those in the US. Now we have a high dollar that means it costs $US161 to produce here what you could produce for $100 in the US, for $67 in China, and for $41 in India.

That, not the deficit, is the real problem. We ignore it at our peril.

Tim Colebatch is economics editor.
Uni staff decry failure on cheats

Casual academics say they need regular and comprehensive training to counter any rise in student fraud, reports Benjamin Preiss.

FRONTLINE academics say they receive little training or support in countering cheating and plagiarism, despite mounting evidence of a flourishing underground market in which students can buy made-to-order assignments.

Insufficient time and low pay are also cited by casual teaching staff as barriers to an effective system to prevent breaches of academic integrity.

But university managers say they have created sound procedures to prevent cheating that include training academics to use software systems designed to detect plagiarism.

A series of reports in The Age this month has highlighted the ease with which students can buy assignments they then submit as their own. Essay mills have proliferated on the internet, with many targeting international students by advertising openly on Chinese language social media sites.

Academic experts say that continuous and comprehensive training of university staff in using plagiarism detection software and the best methods to handle cheating are crucial for universities to maintain high standards of integrity.

Adelaide academic Tracey Bretag says universities often give casual teachers little incentive to learn the best methods to identify cheating and plagiarism.

“They’re not paid to do that,” she says. “They’re not supported and they’re not given professional development.”

Dr Bretag believes casual staff often do the “lion’s share” of student assessment and need paid training to deal with cheating. “We have pockets of best practice but it’s not universally done,” she says. “I think if universities really care about quality and standards then they’ll want to be seen to be leaders in this area.”

National Tertiary Education Union president Jeannie Rea says universities may provide sessional teachers with manuals outlining policies of high standards for academic integrity. But she believes tutors must be paid realistic rates for the hours they spend marking assignments and investigating cheating.

“Is that part of what they’re paid for or is it just an expectation they’ll do all those extras?”

Dr Rea believes that while universities set high standards in academic integrity, casual teachers are highly “marginalised” and lack the support to monitor cheating properly. “I think it is unreasonable to expect they’ll be able to do that... Our view would be that casuals should be paid to come and do the training.”

A casual tutor at Swinburne University, James Searle, says the university provided him with one paid casual training session that dealt with plagiarism, which he completed in about 30 minutes. “There’s no requirement to do it before you
commence teaching,” he says. “I’m sure there are people that haven’t done it. I would like to see more training on it. I would like more sessions on how to deal with those sorts of issues.”

Mr Searle, who tutors in IT and also studies at Swinburne and belongs to its student union, has uncovered few instances of plagiarism in the two years he has been tutoring. He referred those cases to the unit co-ordinator.

But he believes handling cheating would be more complex in other faculties, such as business and humanities, where students are required to submit large amounts of written work. He says the university has clear procedures and cheating policies but casual staff might be unclear about how to implement them.

“I know a lot about the policy because of my role in the student union but for other sessional staff I think they’re not trained in it. I think the university assumes it is common sense, but I’m not so sure that it is,” he says. “I would like to see definitely more training on how to recognise plagiarism and especially training on how to follow it up.”

Mr Searle says students can easily find ways to cheat and pay for others to write their assignments. “I’ve been seeing around campus more and more posters advertising help with assignments, which are usually covers. In my student role I rip them down whenever I see them but they keep putting them up.”

One academic ghostwriter told The Age she had written at least 20 assignments for other students in the past three years and had plenty of requests for more work.

Nine Deakin University students were recently disciplined when they were caught submitting work they had not completed themselves.

But Deakin’s pro vice-chancellor of learning futures, Bev Oliver, says the university offers “systematic” training for casual staff. She says the university believes all staff, not just casuals, should have access to training and more resources will be available to them in the new year.

Another casual tutor, who has taught at two Melbourne universities, says she received no paid training to identify plagiarism or to use the software employed to detect it.

She believes universities expect casual staff to spend unpaid time checking for plagiarism. “It’s just included in your overall rates, which is pitiful,” she says. “I can tell you most of my colleagues weren’t going to be bothered.”

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Universities angry over $1b in cuts

HARD LESSONS

By Bianca Hall

Universities are in uproar over yesterday’s mid-year budget cuts of more than $1 billion to the sector.

The midyear economic and fiscal outlook revealed funding for Sustainable Research Excellence grants would be frozen at their current levels for the next four years, saving the government $499 million over four years.

SRE grants support the indirect costs of research, such as administrative, equipment and staffing costs not covered by research grants. The cuts, combined with other changes, delayed payments and funding freezes, will leave the sector more than $1 billion worse off over the next five years than it would otherwise have been.

The Group of Eight, which represents Australia’s elite research institutions, reacted savagely to the news, saying the government had "reneged" on its promise to raise funding for indirect costs of research.

The "ill-conceived" funding freeze, in combination with university places being uncapped, would denigrate quality teaching and research, while student numbers continued to rise.

Universities Australia chief executive Belinda Robinson said: "The irony is that we are in this budget pickle at least partly as a result of Australia’s economy being over-reliant on the resources sector."

"By reducing research funding we are cutting the very area that provides us with the greatest hope of underpinning long-term industrial diversification and economic transformation."

But Finance Minister Penny Wong insisted the government had "unfroze" almost $880 million in Australian Research Council grants and $154 million for Cooperative Research Centres that were frozen in August.

On Friday, it unfroze a further $652 million in National Health and Medical Research Council grants.

The government also announced it would spend an additional $381 million on student loans, rising to $2 billion over four years, with more students taking up higher education.

"But other forms of student support have been cut. Income support for masters students will be delayed until 2017, saving $167 million over three years from 2013-14."

And the government will freeze indexation on Student Start-Up scholarships, which help students pay for the upfront costs of studying a scholarship such as books and equipment. Freezing the support offered to eligible Austudy, ABSTUDY and Youth Allowance recipients at the 2012 rate of $2050 will save $82.3 million over four years.
Education ‘hypocrisy’

THE government has been accused of hypocrisy for preaching the virtues of education while cutting and delaying funding for universities and training.

Educators say $1 billion in higher education cuts over four years in the mid-year budget will cost 1450 research jobs, turn foreign students off studying here and produce a lower-quality graduate.

Students taking university scholarship courses will give up $82.3 million meant to fund things like textbooks as the government ditches a plan to index their $2050 payments.

Masters students will miss $167 million as an extension of financial support is delayed until 2017. About 10,000 students who have been overpaid payments like Youth Allowance will be hit with interest charges if they refuse to give back the money.
Cuts to education outrage

THE Gillard Government has been accused of hypocrisy for preaching the virtues of education while cutting and delaying funding for universities and training.

Educators say $1 billion in higher education cuts over four years in the mid-year Budget will cost 1450 research jobs and will produce a lower-quality graduate.

Masters students will miss out on $167 million as support is delayed. And more than $300 million in savings will be made as trades training in schools is extended but delayed.
Sydney Morning Herald, Sydney
23 Oct 2012, by Phillip Coorey

General News, page 1 - 816.19 cm²
Capital City Daily - circulation 170,666 (MTWTF-S-)

Slender surplus hangs in balance

Phillip Coorey
CHIEF POLITICAL CORRESPONDENT

THE federal government is prepared to jettison its promise to return the budget to surplus this financial year rather than make further harsh cuts should economic conditions continue to deteriorate, it has been revealed.

To salvage a slender surplus of $1.1 billion for this financial year and keep the budget in surplus for the years beyond, the government yesterday unveiled another $16.4 billion in savings over four years.

These included $1.1 billion in cuts to the 30 per cent private health insurance rebate, a paring back of the baby bonus from $5000 to $3000 for second and subsequent children, and an accounting change that will bring forward $8.3 billion in company tax revenue by requiring the tax to be paid monthly, not quarterly.

The higher education sector took a $1 billion hit that included the freezing of $500 million in research grants.

The mid-year budget update says the cuts were needed to protect the surplus as declining global growth and commodity prices stripped the budget of $4 billion in revenue for this financial year, and $21 billion over four years, since the forecasts in the May budget.

It warns the ongoing risks to the economy are "firmly on the downside".

Wording deliberately inserted into the document warns that having to make more cuts this financial year should the $1.1 billion surplus begin to disappear must keep in mind the impact on economic growth and the vulnerable.

"The government will continue to balance these considerations, particularly if there is any further deterioration in economic conditions or in tax receipts," it says.

"It will continue to ensure its approach to savings is appropriate for the economic conditions and is fair on the community."

The Treasurer, Wayne Swan, declined to confirm whether he would cut again if necessary, saying instead: "We will ensure that our budget settings ensure jobs and growth."

Business has urged the government to stop striving for a surplus in straitened times to meet a political deadline, saying it risked hurting the economy.

Yesterday's document forecasts a $1.1 billion surplus for 2012-13, down $400 million on the $1.5 billion forecast in May.

It forecasts unemployment to average 5.5 per cent this year and next, and growth to stay at a trend rate of 3 per cent, down from 3.25 per cent forecast in May.

Lower tax receipts were the main culprit, due to falling mining profits caused by declining commodity prices.

Company tax fell sharply and the Minerals Resources Rent Tax, which began on July 1, had its forecast earnings in its first four years downgraded by $4.3 billion from $13.4 billion to $9.1 billion.

There was no allocation for the expensive National Disability Insurance Scheme and the Gonski reforms to school funding, both of which will not require full funding until beyond the four-year forward estimates period.

But Mr Swan said the long-term structural savings created by the cuts to the baby bonus and the private health rebate would multiply over time, freeing up money in future years for these expensive reforms.

"We've got a long history of this," he warned. "We're going to do more of it."

After means testing the private health insurance rebate this year, the government said yesterday that from April 2014, the rebate would no longer match annual premium increases but be increased by inflation, which is lower. This will save $700 million over three years and add about $28 a year to the premiums for families and $14 for singles.

Also, the rebate will no longer cover the penalty component applied to premiums for people who take out insurance when aged over 30. This will save another $390 million.

The baby bonus cuts begin on July 1 next year and will save $461 million over three years.

The company tax changes to be phased in starting with the biggest firms on January 1, 2014, will not increase the tax paid by business. But organisations such as the Australian Industry Group said having to pay more often will hurt cash flow and impose higher compliance costs.
Sydney Morning Herald, Sydney
23 Oct 2012, by Phillip Coorey

General News, page 1 - 816.19 cm²
Capital City Daily - circulation 170,666 (MTWTFS-)

'Australia faces nothing like the kind of debilitating austerity Europe has to endure. We are not standing with our toes dangling over a fiscal cliff like the United States but we do have to steer a fundamental budgetary change.' ▶ Lenore Taylor  – Page 7

NEW CUTS ANNOUNCED
$16.4 billion
over four years

$8.3b
COMPANY TAX
over four years

$1.09b
PRIVATE HEALTH INSURANCE
over three years

$461m
BABY BONUS
over three years

$769m
UNIVERSITY FUNDING
over four years

CHANGES TO BABY BONUS

$5000
DOWN TO
$3000
for second and subsequent children.
Takes effect
July 1, 2013

Swings and roundabouts ... Bethany Hai, 4, in Enmore yesterday, as the Treasurer, Wayne Swan, handed down the midyear budget update in Canberra.

Photos: Andrew Meares

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ID 167429306 BRIEF ACPET INDEX 6.1 PAGE 2 of 2
Cuts to cost 1500 jobs – Hilmer

THE federal government’s $500 million cut to research funding would obliterate nearly 1500 research jobs and cut off a career path for future academics, says the vice-chancellor of the University of NSW, Fred Hilmer.

Professor Hilmer, the chairman of the Group of Eight research intensive universities, said the cuts announced in the midyear budget review would damage Australia’s international research reputation.

He said savings should be achieved by redirecting students with ATARs below 60 from universities to TAFE.

Funding that supports “indirect” costs, such as administration, equipment and staffing, will be frozen at current levels for the next four years, saving the government $499 million. Combined with other changes, delayed payments and funding freezes, this will leave the sector more than $1 billion worse off over the next five years.

Professor Hilmer’s comments have divided the higher education sector. The vice-chancellor of the Australian Catholic University, Greg Craven, said Professor Hilmer’s comments were “deeply embarrassing” and explained “why universities have no policy leverage with government, because they can be relied to turn on each other in any funding competition”.

The Minister for Finance, Penny Wong, said the government had overseen record rises in university funding and had increased spending on research by more than 40 per cent since 2008.

Since 2007 the number of university students has risen by almost a third under Labor’s demand driven funding system, with limits on the number of government-funded undergraduate places removed.

The ACU has grown more than any other university and offers more courses with ATAR cut-offs below 60. Professor Craven said the cut-offs were “honest” in contrast to the “inflated” cut-offs published by critics of the demand-driven system, which accepted students with lower scores.
Trades training centres take another hit with $305m held back

KEVIN Rudd’s ailing Trades Training Centres have taken another hit from Wayne Swan, with funding for the program delayed yet again to save $305 million from the bottom line.

The initiative, part of Mr Rudd’s famed “education revolution”, was a 2007 election campaign promise and provided $2.5 billion over 10 years for the nation’s 2065 secondary schools to build vocational education centres on campus.

But there has been a slow take-up of the program and only $1.2bn has been spent by schools in the past four years to construct 208 centres.

The scheme has also drawn criticism from the vocational training sector as having confusing criteria and being inflexible.

Some of the funds for the program were frozen until 2015-16 in the 2011 budget. Yesterday’s mid-year economic update delays it until 2018-19.

“The government has rephased funding to more evenly distribute projects over the life of the program,” the mid-year budget update stated.

“This rephasing will provide savings of $305.4m over the forward estimates, but overall funding of the life of the program will remain unchanged.”

Senate Estimates hearings last week revealed only 208 centres, used by 577 schools, had been built under the program.

Department of Education infrastructure and delivery manager Alan Edwards told the Senate committee that 1080 schools have been approved to benefit from 376 trade training centres.

He said just over $1.2bn worth of projects had been announced and $1bn has been spent. This leaves $1.5bn left in the program that remains unspent.

Mr Edwards could not say what the number of enrolments were for vocational education courses through the program.

“The most recent data we have is from 2010, which was very early in the operational phase. There were 1700 enrolments through the 28 TTCs,” he said. The Australian Apprenticeship Access Program will also lose $11 million over three years while support for adult apprentices will be streamlined to save $81 million. Mr Swan will also discontinue the $1500 incentive payment for employers to take on part-time and casual apprentices, saving $276.7 million over four years, to ensure incentives are targeted at full-time apprenticeships.
Handouts down $157m

**GRANTS**

LABOR has reduced funding for grants programs in 2012-13 by $157.5 million, opting to re-direct money to other priority areas or defer payments into future years.

The move follows a general grants freeze last month and will help claw back savings totalling $89.4m over the forward estimates.

The single biggest change in grant programs was made to those administered by the Department of Industry, Innovation, Science, Research and Tertiary Education which had $97.8m carved out of grant programs for 2012-13.

Of this, $45.3m is being funnelled into other government priorities while a further $52.5m is being shuffled back across the forward estimates.

The Textile, Clothing and Footwear Strategic Capability Program, designed to help boost innovation, was one scheme subject to the grant “freeze” and which has now been reduced by $1.8m in the 2012-13 year.

The Textile, Clothing and Footwear Union of Australia yesterday expressed disappointment at a separate decision. Textile and clothing workers are some of the most vulnerable workers in Australia and have borne the brunt of decades-long economic restructuring and dislocation.”

Industry Minister Greg Combet said the scheme was under-utilised and delivering limited value to the industry.

“The Gillard government is committed to a dynamic textile, clothing and footwear industry in Australia and continues to provide a range of programs which support the sector,” Mr Combet said.

Finance Minister Penny Wong said no grants already awarded would be harmed by the changes.

“Reviewing the levels of existing program expenditure is a normal part of the budget process,” Senator Wong said.

“Today’s announcement means the temporary grants pause that was put in place to allow the government to examine every dollar of spending and ensure taxpayers are getting value for money is now lifted.”

The Department of Families, Community Services and Indigenous Affairs will have $25.6m in uncommitted funds redirected in the 2012-13 financial year.

The change will not change frontline service delivery and $1.62 billion in funding will remain available to the department to administer a range of programs.

JOE KELLY
Cap school-leavers to save our research: Go8

RESEARCH

ANDREW TROUNSON

AUSTRALIA’S elite universities yesterday attacked the $500 million cut to promised increases in research funding, claiming the government was wasting money instead on opening university places to ill-prepared students.

Wayne Swan yesterday delayed by three years plans to increase funding for research under the Sustainable Research Excellence program. This provides universities and medical research institutes with funds to cover indirect costs such as research support staff. About 75 per cent of this money goes to the research-intensive Group of Eight universities, and the group warned that the delay would cost about 1450 new jobs.

The Go8 sandstone universities said rather than cutting research funds the government should curtail its policy of uncapping the supply of government-funded bachelor degree places.

It wanted the government to limit school-leaver places to those students scoring a Australian Tertiary Admission Rank of 60 or more, claiming this would save the budget $1 billion — and drawing criticism that it was unfair to disadvantaged students.

The universities said some of the savings could be ploughed into preparation programs at TAFE and other colleges to provide students with lower ATARs a more cost-efficient pathway into universities, rather than risk a rise in drop-outs.

“These cuts to the sustainability of research funding flow from the government’s refusal to face up to the unsustainability of its ill-conceived demand-driven funding of higher education,” said Fred Hilmer, University of NSW vice-chancellor and chairman of the Go8.

“The Gillard government is giving higher priority to enrolling school-leavers with ATARs below 60 directly into bachelor degree programs than to supporting our best researchers.”

But Andrew Harvey, head of La Trobe University’s Access, Achievement and Research Unit, said the Go8’s plan was unfair because ATAR scores were highly correlated with economic status and could reflect social advantage rather than ability.

“Many academically capable students receive an ATAR below 60, and our research indicates that ATAR alone is not a strong predictor of attrition,” Dr Harvey said.

The federal government is spending an extra $5.3bn between 2010 and 2015 to expand university places. It wants to increase the proportion of 25-34 year olds with at least a bachelor degree from 32 per cent to 40 per cent by 2025.

Tertiary Education Minister Chris Evans said the government stood by its policy to expand participation.

“Despite tough fiscal pressures, the government remains committed to ensuring all Australians, if they have the desire and ability, have a place at university,” a spokesman said.

Paul Munroe, head of the electron microscope unit at UNSW, fears that he will have to lay off some technicians as the university readjusts its budget and research priorities.

“We are now potentially going to lose staff as these cuts bite and that means millions of dollars’ worth of equipment under-utilised,” he said.

The delay in SRE funding increases will cost UNSW about $15m, while Melbourne University will lose about $22m.

The sector was relieved, however, when Senator Evans yesterday finally guaranteed that $1bn in Australian Research Council grants would be delivered this fiscal year.
Paul Munroe, left, head of the electron microscope unit at UNSW, with lab manager Otte Homan, fears he will have to lay off staff.