ACTU hits at casual trend

Pip Freebairn

ACTU president Ged Kearney will acknowledge Australia’s waning productivity performance today but will blame it in part on the rise in casualisation of the workforce and labour’s fall in the share of income.

She will speak at the first conference of the Australian Workplace and Productivity Agency, a government body set up to engage business and unions on skills reform.

She will say that the recent Fair Work Act review, which was heavily criticised by employer groups, “comprehensively debunked the idea that Australia’s workplace system is holding back productivity growth”.

Rather, the slowdown is partly the result of a fall in labour’s share of national income, while returns to the owners of capital as a share of income have risen, her speech says. “Employees do expect to be fairly rewarded for their efforts. Higher labour productivity will be encouraged when workers feel they will share fairly in the benefits of that growth.”

The degree of casual work means less training is taking place, and this has eroded the skills base, she will say. “Casual employees receive fewer training opportunities through their employer … and they are often left to organise and fund their own skills development. Insecure work also leads to a less motivated workforce.”

The conference, in Sydney, will also hear from Skills Minister Chris Evans, former head of the department of the prime minister and cabinet Peter Shergold and the former chief executive of Telstra and Optus, Ziggy Switkowski.
Petty elitists need to be taught value of diversity

The first principle of journalism is news should be interesting. The second principle is education stories are not interesting. Just now, this law has been broken. You cannot flick a page without confronting some alleged educational triumph or disaster.

The hottest topic is quality of university students, especially aspirant teachers. Apparently, Australia faces an intellectual collapse not matched since the inception of Big Brother.

The background to this satisfying paranoia is that Australia has finally expanded production of university graduates to match its competitors. The clever country has a degree to match the boast.

You would think this bipartisan tertiary revolution was something to celebrate. Howard’s battlers and Gillard’s working families have flocked to access university education and boost long-term national productivity.

But a tiny cabal of budget-cutting state ministers, micro-managing bureaucrats and bitter educational exclusionists want to crash the party. They think Australians are just too dumb for mass university education.

Enter the NSW government with its Maoist-sounding paper Great Teaching, Inspired Learning, which agonises over a supposed flood of inferior students into teaching courses and ponders defences to repel the barbarians.

The government favours simple answers. Only set the highest possible minimum Australian tertiary admission rank cut-offs for teaching degrees, and all will be solved.

The entry rank is merely one useful set of numbers, with a whole range of limitations. Those limitations mean that most students already enter university on more than an entry rank.

University admission ranks correspond more closely with socioeconomic background than future university success. They predict best at the highest levels, but fall away when addressing the middle range.

Trying to determine who should be a teacher on the basis of adolescent school marks rather than training received during their course is like selecting the Australian cricket team on school batting averages while ignoring Sheffield Shield innings.

Critically, entry ranks cannot measure the most important qualities of a teacher: the passionate desire to teach and empathy for their students. Without this, a graduate with even the best entry ranks will be a rotten teacher.

Then there are the casualties. With crude minimum entry ranks, say goodbye to a cohort of disadvantaged students choosing teaching as a first-in-family degree, indigenous teachers and teachers from and for the regions.

And there are the complications. Universities are independent, self-accrediting authorities. They determine their staff, research and teaching. No respectable institution will surrender the right to select its own students to a bureaucrat with a calculator.

So what is the politics here, was NSW or any other state tempted to inhale? The answer is a heady mix of cost-shifting and blame-gaming.

Everybody knows raising teachers’ salaries would attract more candidates. Too expensive. Workplace change might produce better outcomes. Too courageous. But if all problems come from university selection, that is Canberra’s problem, and issue solved.

One difficulty does arise. If you throttle the supply of teachers, won’t it cause a shortage, with bigger classes and frantic parents? No, the NSW discussion paper concludes, because there is a glut of teachers. The state annually produces about 5000 but the department “permanently” employs only 500.

The Catholic and independent schools are not mentioned. The figures refer only to “permanent” state school teachers. Understand most new teachers in NSW are employed as “casuals”, even if they teach almost full time.

What the government does not want you to know is that the department employs the equivalent of 10,000 full-time teachers as “non-permanent” staff, teaching two million days. Ponder a system claiming there are no jobs for teachers that admits half its teachers were employed in the past five years.

Selection into universities, for teaching or anything else, is not perfect. But myopic reliance on the entry ranks is a major part of the problem.

We need to understand selection requires a sophisticated approach. We should not rely on any single number.

Diversity is the answer. If we can use a combination of entry ranks, portfolios, school results, interviews and so forth, at the point where they converge, we will find a good teacher. The only problem is that good selection systems are challenging and cost money.

Better than alternatives that are cheap and nasty.

Greg Craven is vice chancellor of the Australian Catholic University.
Outdated view ‘risk to online learning’

JULIE HARE

HIGHER education is on the cusp of a radical structural shift as it embraces new technologies as a core element of teaching and learning. But the national regulator is so retrospective in its view of university as a bricks-and-mortar, on-campus experience it risks “obstructing innovation in online delivery and therefore jeopardising the nation’s competitiveness,” a leading vice-chancellor has said.

In a searing attack at a Melbourne conference last week, University of New England head Jim Barber said the Tertiary Education Quality and Standards Agency was undermining the government’s participation, diversity and even quality objectives through its imposition of a “uniform and now outdated model of education”.

“If our thinking about what constitutes quality in teaching and learning is not urgently modernised, Australia is at risk of surrendering its domestic market to international online providers,” he told the high-speed broadband and higher education conference.

Professor Barber, who has made UNE among the most innovative institutions in online learning, said emerging trends were destabilising traditional notions of university teaching.

He said increases in online study and the number of providers was driving a decline in on-campus enrolments as technology created richer and more individualised learning possibilities than traditional lectures or tutorials. Smartphones, mobile devices and untethered access to open-source, high-quality overseas courses were all contributing to a change in the student-teacher paradigm.

But Professor Barber said the risk indicators attached to various regulations ran counter to the emerging environment with a backwards-looking view of university education.

For example, low capital spending on classrooms, libraries, laboratories, student facilities and meeting and recreational areas was regarded as a risk indicator. But Professor Barber said sophisticated online delivery and resources such as iLabs made such “essentials” obsolete.

He called for a full inquiry into the role of broadband in the future of higher education. “We need to find the obstacles and remove them. Regulation needs to adopt an approach that looks at outputs not inputs,” he said.

Don Russell, head of the federal tertiary education department, defended TEQSA, saying the new standards were already under review. “It’s a new regulator and is still working its way through its relationship with the sector. But there are built-in systems for analysis, feedback and renewal,” he said.

A TEQSA spokesman said: “Regulatory decisions are guided by our principles of necessity, proportionality and reflecting risk.” He said the risk framework was “not designed to assess risk against a pre-conceived provider operating model”, and risk indicators were “assessed collectively and in the relevant context, not in isolation”.

“This provides a holistic picture of a provider so TEQSA can make an appropriate judgment about the relevance or significance of an indicator.”
States pouring money into non-TAFE training

JOHN ROSS

GOVERNMENTS have almost tripled their funding of private training since 2007, catapulting TAFEs towards minority provider status, a new report reveals.

Government funding of non-TAFE training providers snowballed from about $410 million in 2007 to $1.4 billion last year.

Victoria led the pack, with payments to private colleges almost quadrupling to about $500m under the state’s open training market, according to the report from the National Centre for Vocational Education Research.

However, private payments also increased sharply in three other states, rising 196 per cent in Queensland, 181 per cent in Western Australia and 165 per cent in South Australia.

Nationally, non-TAFE funding has risen almost 120 per cent during the past two years alone.

University of Melbourne researcher Leesa Wheelahan said the vocational training landscape had shifted with TAFE’s share of publicly funded students declining from more than 72 per cent in 2009 to under 60 per cent last year.

She said vocational training was being transformed from a system dominated by public institutions serving public policy objectives.

“We haven’t quite got to the tipping point, but we are close,” Dr Wheelahan said.

“Blowouts in funding are happening in the private sector, not the public sector. They are happening in the big states where programs can be run cheaply in high volume.”

Dr Wheelahan said TAFE was at risk of becoming “so residual that it loses the capacity to meet the needs of industry, communities and students”.

The NCVER report does not take account of this year’s funding cuts to vocational training, which have totalled about $400m in Victoria, $310m in NSW and $80m in Queensland.

TAFEs have borne the lion’s share of the cuts in all three states.
Concentrating on better research

LIKE Britain, Australia faces a tense debate about how best to concentrate research, says visiting vice-chancellor Steve Smith.

“Every developed knowledge economy in the world is moving slowly but surely towards better research concentration,” said Sir Steve, vice-chancellor of Exeter University.

“It’s not just a (Group of Eight universities) point. It’s about the ecosystem, because the danger in just giving money to a small group is that it ossifies and becomes complacent.” The other risk was spending more money only to multiply the number of good-enough researchers rather than increasing the output of world-class work.

Sir Steve, a former president of the peak body Universities UK, was speaking ahead of an address to the Australian international education conference in Melbourne today.

He said budget cuts in Britain had led funding councils to concentrate research through doctoral training centres.

“In the future, only those universities that have been awarded the right to host these centres will be able to train PhD students and the researchers of the future,” he said. “The Economic and Social Research Council, for example, has no training centres in any of the post-1992 (ex-polytechnic) universities.”

Sir Steve told the HES that the preoccupation with critical mass in research was as ubiquitous as it was divisive.

It was the only issue to force a vote within Universities UK in the two years that Sir Steve was president. Universities Australia has experienced similar tensions.

Research concentration was an inevitable topic at a Melbourne meeting of British vice-chancellors and their local counterparts yesterday.

It is especially tricky for Australia with its small, dispersed city populations and the lack of a culture in which students leave their home town for university.

“In a system where students go to their local institution, how do you map the need to have a certain number of institutions that are world-competitive with the need that if you live in Adelaide and you want to study physics, you’ve got to be able to study physics in Adelaide?” Sir Steve said.

“The first thing I would look at is a hub and spoke model.”

Students at a spoke institution that is weaker in a given field would be connected to the research resources of a hub.

This idea has had little prominence since Kim Carr lost the innovation portfolio last year.

“For the health of the Australian economy in the long run, the big questions are how you continue the upward investment in higher education, and how you concentrate research without ossifying,” Sir Steve said. “What you don’t want to do is fund large amounts of OK research.”
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Bubble risks bursting as ‘learning costs outpace value’

MORE than one in 10 workers have spent longer in education than they needed to qualify for their job, and over-education is particularly rife among young professionals and clerical employees.

Analysis of 2006 census data found that a fifth of managers are over-educated. There are also significant pockets of over-education in the health and welfare sector, where 19 per cent of female support workers and 24 per cent of their male equivalents are overqualified. Among clerical and administrative workers, up to 35 per cent in some occupations have spent more years than required in education.

The government is committed to ensuring that at least 40 per cent of 25–34 year olds are educated to bachelor degree level or above by 2025, in line with the recommendations of Denise Bradley’s 2008 review of higher education.

Yet the study by Mike Dockery and Paul Miller from Curtin University found that a significant number of workers were already over-credentialled.

Younger workers had invested more time in education than older colleagues performing the same job, but it was unclear if the tasks they were required to perform had become any more complex.

The study found that over-educated workers were marginally better paid than the those with correctly matched levels of education or the under-educated.

Employees with properly matched educational qualifications receive a 10 per cent premium for each additional year of education, but for every year above the required level the gains are typically between 3 per cent and 6 per cent.

The report’s authors say potential efficiency gains can be achieved by better matching employees’ actual educational attainment to job requirements. The authors do not directly question the government’s target adopted from the Bradley review, but they say that the evidence of credentialism “should at least offer a warning that the ongoing trend of increasing general educational attainment for young people needs to be monitored and critically assessed”.

They also question the link between education and productivity, concluding the assumption that education automatically produces more productive, highly skilled workers is only partly true.

They suggest there is a level of “credentialism”, a general rise in the level of education unrelated to the requirements of the job.

The study finds a marked difference in the number of years spent in education between workers in their mid-20s and those in their 50s and 60s, yet there is little evidence that the rising level of education is in response to the underlying requirements of the job.

This rising tide of credentialism will mean that, within occupations, younger people will tend to be classified as over-educated and older workers under-educated,” the report finds.

The extra years spent in formal education have not increased mobility to higher-paying occupations, suggesting “a deadweight loss” arising from the competition for jobs.

There may be advantages for an individual with more years of education under his or her belt than competitors in the jobs market, but “it is a zero sum game if all individuals accrue more education”.

While education may not deliver necessary skills, it can serve as a signal to employers of the applicant’s ranking compared to their peers and their ability to learn on the job.

The paper from the National Centre for Vocational Education Research comes as US economists debate whether a “higher education bubble”, similar in important respects to the real estate bubble that triggered the financial crisis, is emerging in the US.

In a monograph published this year, Glenn Harlan Reynolds notes that college courses have become increasingly complex and expensive and, while the economy was strong and loans were cheap, students were prepared to accumulate debt in the expectation that the asset of education would increase in value.

Student loan debt in the US has passed the trillion-dollar mark, more than the total credit card debt and more than car loans. The perceived value of education, however, has fallen. A recent study found the first two years of college had no noticeable effect on 45 per cent of students, and 36 per cent of students showed no significant improvement after four years of college.

With demand now falling, Reynolds says colleges are offering cheaper, discounted courses to get students through the door. He forecasts a further shake-up in the industry, which has grown too fast and is producing graduates surplus to requirements.

“Bubbles form when too many people expect values to go up forever,” he writes. “Simply put, the cost of higher education has far outpaced its actual value. The bubble is going to burst.”
Chinese drifting towards eager-to-please US market

Australia must react rapidly or risk losing a huge income stream

SEAN GALLAGHER  GEOFF GARRETT

The higher education trade winds blowing Chinese students into US classrooms are approaching gale force. Chinese postgraduates have enrolled in US universities for decades, but now the big game has moved to undergraduate education.

Last year, there was a 43 per cent increase in new Chinese undergraduates on US campuses. The University of California 10-campus system doubled enrolments in a single year.

Cash-strapped US public universities now see full-fee paying Chinese students as an essential response to the biggest ever reductions in government support for public higher education.

Moreover, Chinese consumers are brand-conscious about everything, including universities. Those such as Berkeley and UCLA are elite global brands positioned well above Australia’s best and are poised to swallow up market share.

Australia has the highest number of foreign students per student population in the world and campuses are stuffed full. Even if we wanted another decade of growth like the last one, campuses could not support it.

The contrast with the US is stark. With a higher education sector 15 times the size of Australia’s, and with less than 5 per cent of students on its campuses from overseas compared to the more than 20 per cent here, there is tremendous capacity for growth.

Michael Knight in his review of student visas last year understood most of this, though the reality is getting bigger and grimmer by the day. That is why his review set out clear and realistic residency pathways for international students — essential to keeping our higher education globally competitive.

But if and when these reforms are fully implemented, they should be only the beginning of Australia’s response to the rapidly changing global market for students. There is a fundamental problem with the Australian “higher education as export” business model.

For the better part of two decades, we have successfully competed on price with other countries and attracted quality students because other English-speaking countries have not been that focused on international students.

Now both conditions have been turned on their head, and Australia faces having to lower price or student quality to keep students, and the critical dollars they bring, coming to our shores.

To avoid this downward spiral, we need to build a new competitive advantage based not on price but on quality.

Improving the on-campus, in-class experience, better residential options, more experiential learning and study abroad opportunities aligned to the global job market are all essential.

In addition, we must leverage our unique comparative advantage of being the bridge between the West and emerging Asia.

The Asian students already in our classrooms are a major strategic opportunity. We can add real value to them by giving them the opportunity to develop the leadership skills they covet by telling us about their countries. And, in so doing, Australian students will gain the Asian literacy and competency Ken Henry’s white paper will highlight as mission critical to Australia’s Asian Century.

Universities are so often small “c” conservative institutions where time is measured more slowly than in the world outside. Now is the time for universities to be proactive, innovative and aggressive. Sitting on our hands is no longer an option.

Sean Gallagher is chief operating officer and research associate at the United States Studies Centre. Geoffrey Garrett is dean of the University of Sydney Business School.
American icons such as the New York Stock Exchange will see an increasing number of Chinese students visiting them in line with an expected jump in enrolments. 

Source: Australian Education International; US Open Doors Data International Institute of Education.
Grattan report seems to suggest the world has nothing to teach us

THERE are two main approaches to the use of data in education policy research.

In one school of thought the core objective is to mount the most compelling argument in support of predetermined goals. Before information is collected, the desired outcome is in place. The researcher (here an advocate) conducts selective studies and cherry-picks data from other studies, for facts that support the case. Contrary facts are quietly pushed under the carpet.

The resulting argument looks strong, but policies based on it often fall over later, when reality turns out to be different from the world view of the researcher.

For the other school of thought, the core objective is to assemble a range of data throwing light on the realities of education, economy and society. Minds are open and data collection takes place at one remove from policy agendas. The data can be assembled in many ways to support one or another argument but over time, with different advocates twisting the same data in different directions, the distortions tend to cancel out.

What is left is a common data set, valid as social science, which at best can inform a consensual policy understanding.

The first approach is taken by the Grattan Institute in its recent report Graduate Winners, which seeks to mount an argument to cut the amount of public funding for university teaching and increase student charges.

The second approach is used by the OECD in its annual publication *Education at a Glance*, released last month.

It provides clear-minded data of exceptional value used by policymakers all over the world.

The OECD's approach is overwhelmingly better. Intellectually, the approaches are chalk and cheese: it's like the difference between religious dogma and the enlightenment.

But it is a sign of the poor state of Australian policy debate that the Grattan report received far more attention than the OECD's.

One area that exemplifies the different approaches is the discussion of the non-monetary public benefits of higher education, benefits that provide much of the rationale for the taxpayer funding that Graduate Winners wants to remove.

It's a controversial area of analysis.

It is easy to identify private benefits like augmented earnings and higher employability.

The public or social benefits are harder to pin down, especially those consumed collectively.

The Grattan report selects a study of volunteerism that finds rates of volunteering are little greater among graduates than non-graduates.

Inconveniently for the Grattan report, the OECD looks wider and discovers a strong numerical correlation between education and civic responsibility.

In voluntary voting jurisdictions such as in the US, graduates are much more likely to vote. Graduates score higher on social engagement measures. Tolerance of religious and cultural difference is a learned attribute correlated with education level.

The danger suggested by the OECD's data is this: if public funding is cut, the content of curricula will shrink towards work skills and nothing else.

If students finance their own higher education as a personal good, as the Grattan report advocates, they have a right to ask why they should also privately finance outcomes like tolerance and democracy. Is that not the responsibility of government?

It is significant that the Grattan report carefully avoids both the method and content of the OECD. It would have us believe Australian higher education has nothing to learn from global comparisons.