

## Press Release

### Australia's Universities in Funding Crisis, says ACDE

#### Call for action on University funding by ACDE

Australia's universities are in a funding crisis and this will affect Australia's international competitiveness in the knowledge economy, according to the Australian Council of Deans of education.

Since its election in 1996, the Howard government has neglected the higher education sector and continued to cut funds to universities.

Government outlays on higher education as a percentage of GDP have fallen from a high of 1.6% to 0.80% during the period of the Howard government. It is predicted that they will fall further to less than 0.55% in 2003-04 if the Howard government is re-elected.

This sort of funding cut has seen cutbacks in staff with an increase in staff to student ratios from 1 to 14.52 in 1995 to 1 to 18.30 in 1999. This sort of ratio is creating all sorts of stresses for overworked staff and undermining the quality of some offerings.

Figures provided by a national survey of academics found that 40% were working in excess of a 50 hour week and that 56% percent of them felt they were under considerable stress at work. This is a situation which is dire not only for university teachers, but for the knowledge base of the nation.

While students are seeing fewer lecturers and academics in Australian universities, they are paying more for it through their HECS contribution. HECS, which was meant to be a partial contribution, is now almost as expensive as up front fees in public US universities. According to AVCC figures, annual domestic undergraduate fees in Australia averaged \$4,360 and were higher than both the UK at \$1,414 and New Zealand at \$2,660.

University is now seen as an unattractive option if students graduate with large debts from their courses with a cumulative effect from interest. For many low to middle earning families and students, universities have been priced out of reach by the federal government.

Equally, while there has been much discussion about research and development as being a key to the new economy, the federal government contribution to R & D has fallen dramatically. Government expenditure on R & D has fallen from 0.44% of GDP in 1990-91 to 0.35% in 1998-99.

This compares poorly with other countries such as Sweden, and is a level well short of the OECD average.

The ACDE calls for action on university funding that includes:

- An increase in public funding to universities to improve staff/student ratios, upgrade infrastructure, and reverse the increasing casualisation and insecurity of academic staff.
- A boost in Research and Development funds to reach the OECD mean.
- A reduction in HECS rates, and an increase in the HECS repayment threshold level, which is currently set at an appallingly low level.