

Budget 2021 – Education

Higher education overview

This Budget has not provided the rescue hoped for by university leadership. Instead it has cut funding in real terms. The pandemic has already had a severe impact on the higher education workforce, largely because universities were excluded from JobKeeper funding. Recent modelling by Universities Australia estimated the decline in university revenue would mean the loss of 21,000 jobs, or 16 per cent of the total university workforce.

Data released by the Australian Bureau of Statistics in 2020 shows that there was a 7 per cent drop in the number of women enrolled at universities and some vocational courses, and a 2 per cent drop in the number of men. Participation among women above the age of 25 dropped more sharply than among younger women and the presumption is that many of these women have been forced to abandon or at least postpone their studies to undertake caring duties, including supervising children learning at home.

Significant increases in fees are likely to further deter women from obtaining a higher education, particularly when fee increases are higher in female-dominated subjects and faculties such as arts and humanities. This will have flow on effects to women's lifetime earnings and economic security.

Higher Education

The Budget

The Commonwealth Grant Scheme (CGS) provides funding to eligible higher education providers for students enrolling in bachelor degrees and other higher education courses of study 'designated' by the Minister for Tertiary Education.

Commonwealth Grant Scheme

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Cluster Fund and Place Loadings	7,338,409	7,309,436	7,128,454	7,147,976	7,276,971
Regional Loading	37,545	-	-	-	-
Transition Fund Loading	172,799	250,380	96,837	19,256	-
Total program expenses	7,548,753	7,559,816	7,225,291	7,167,232	7,276,971

(Commonwealth of Australia (2021), Budget Related Paper 1.4, Program expenses 2.1 Commonwealth Grant Scheme, p. 52)

Notwithstanding the proposal from [Universities Australia](#) for a comprehensive support package, there is no relief in the 2021-22 Budget for the university sector despite the catastrophic losses brought about by the 2020 global pandemic and the resulting decline in the number of international students. Operating revenue fell in 2020 by about 4.9 per cent, or an estimated A\$1.8 billion. In spite of this, the [Australia Institute](#) estimates that funding for the university sector will decline by 9.3 per cent over the forward estimates. In contrast, the tourism and aviation industries that also experienced severe losses due to the pandemic will receive a rescue package totalling is \$1.2 billion.

Closing the borders left higher education in a highly vulnerable position. The [2020 Gender Lens on the Budget](#) explained in detail the extent to which Australian universities have relied on international students to compensate for inadequate recurrent funding and the magnitude of the impact caused by closing the borders. Overall, [international student numbers dropped](#) by 43,000 from the same time in 2020. New enrolments from China, previously the primary source of international students, fell to by 22 per cent from 2020 figures. The decline among students from India is even sharper, with new enrolments dropping 52 per cent from 2020 figures.

The 2020-2021 Budget injected an extra A\$1 billion into the [Research Support Program](#) to alleviate the impact of lost revenue from international students fees, but this has not been repeated in the current budget and the funding announced in the 2020-21 budget intended to help universities transition to new funding arrangements arising from the Job Ready Package falls off a cliff in 2024-25.

There are some positive measures relevant to the higher education sector including:

- \$1.1 million over two years from 2020-21 to create new employment pathways for students and boost financial incentives for universities to enrol students in 'Industry PhDs'
- A new \$54.2 million Global Science and Technology Diplomacy Fund to support strategically important science and technology collaborations with global partners
- \$42.4 million over seven years to establish the Boosting the Next Generation of Women in Science, Technology, Engineering and Mathematics (STEM) Program by co-funding scholarships for women in STEM in partnership with industry

- Initiatives to support the delivery of primary care and the health workforce in rural and remote Australia
- \$216.7 million over three years from 2021–22 to grow and upskill the aged-care workforce through additional nursing scholarships and places and related measures
- \$27.8 million to increase the number of nurses, psychologists and allied health practitioners working in mental health settings through 280 scholarships and 350 clinical placements
- A \$9 million cut over five years to the Quality Indicators for Learning and Teachers (QILT) suite of surveys
- Additional post-graduate scholarships for Aboriginal and Torres Strait nurses and allied health professionals to undertake formal aged-care and dementia qualifications.

Funding for the Australian Awards for University Teaching and the Learning and Teaching Repository will end after the 2021 awards.

However, much of this funding has been repurposed or announced previously. For example, a new \$54 million global science and technology diplomacy fund, designed to support strategically important research collaborations with global partners, will come from the cessation of other international science programs and save the government \$6.6 million. According to Dan Nahum from the Australia Institute, the only *new* spending in the 2021-22 Budget is \$9.4 million to support online and offshore education models, and an extension to the FEE-HELP loan fee exemption by six months.

To cover the shortfall in revenue, the Education Minister has encouraged Australian universities to enrol more domestic students and announced that ‘small phased programs for international students’ could start in late 2021. Nevertheless, Budget paper No 1, makes it clear that international students will not be able to return in large numbers until mid-2022 at the earliest, as ‘the rate of international arrivals will continue to be constrained by state and territory quarantine caps over 2021 and the first half of 2022’ (p 36). The shortfall in international enrolments may extend for up to five years, leading to serious consequences across the whole sector. Students can study online, and some universities are offering discounted fees as an incentive, but there are real fears that many students will not return to Australia, preferring to go to Canada or the UK which have more relaxed entry controls and higher rates of vaccination.

Higher Education Partnerships and Participation Program

The Higher Education Partnerships and Participation Program (HEPP) was a stand-alone that emerged from the findings of the 2008 Bradley review of Australian universities. HEPPP funding enabled universities to attract and support underrepresented groups to higher education.

In the 2021-22 budget, HEPP has been rolled into the Indigenous, Regional and Low SES Attainment Fund making it impossible to determine what funds have been allocated to different cohorts of underrepresented or disadvantaged students, or if the total funding has been reduced.

Indigenous Student Success Program

The Indigenous Student Success Program (ISSP) is currently managed by the Department of Prime Minister and Cabinet provides supplementary funding to universities.

The *Higher Education Support Act 2003* appropriates funds to universities to help students take on the demands of university and succeed. The Indigenous Student Success Program is administered under Part 2-2A of the Act and the *Indigenous Student Assistance Grants Guidelines 2017*. The total funding for the Indigenous Student Success Program remains unchanged over the forward estimates.

Gender implications

Why is this an issue for women?

Higher education workforce

This Budget has not provided the rescue hoped for by university leadership. Instead, it has cut funding in real terms. The pandemic has already had a severe impact on the higher education workforce, largely because universities were excluded from JobKeeper funding. Recent modelling by Universities Australia estimated the decline in university revenue would mean the loss of 21,000 jobs, or 16 per cent of the total university workforce. Nahum states that the true figure is much higher. He calculates that 35,000 jobs were lost in 2020 up to November.

The Australian tertiary education sector is characterised by a highly casualised and female dominated workforce. The Workplace Gender Equality Agency 2020 survey demonstrates female staff make up 59 per cent of all tertiary education sector employees; 75.9 percent of part time employees and 59.4 per cent of casual employees. This survey includes employers from non-university higher education providers. There is no agreed definition of a casual academic position and it includes short-term replacement appointments, exam markers as well as teaching staff employed on a series on revolving contracts.

The 2020 Gender Lens on the Budget reported on the complex mix of internal policies relating to recruitment and promotion and external social factors including childcare and other family commitments that impede women's careers in academia. Poor remuneration and insecure modes of employment for early and mid-career female academics and researchers drives them to seek alternative employment thereby shrinking the pool of talent. The loss of such expertise is a significant waste of knowledge, capability and investment.

There are additional structural barriers for the advancement of female academics especially in STEM which most Australian universities are addressing through participating in the Athena Swan program. However, the continued level of Australian Government funding for the Commonwealth Grants Scheme as presented in this Budget presents challenges for universities to employ more permanent academics and researchers. There widespread reports of continuing redundancies as universities implement austerity measures.

Higher education students

A university degree continues to be a sound investment (although the rate of return has declined). Statistics from Quality Indicators for Learning and Teaching (QILT) show most graduates find full time employment within one year of graduating even during COVID. Employment rates were higher for people with non-school qualifications.

In 2020, women (70 per cent) overtook men (68 per cent) in obtaining non-school qualifications. Forth per cent of Australians aged 15-64 years who were studying a non-school qualification were studying bachelor degrees, while 18 per cent were undertaking postgraduate studies, and 19 per cent were completing a certificate III or IV.

Of the Australians undertaking undergraduate or postgraduate studies, 57 per cent were women. Women also made up 53 per cent of the Australians currently studying for a certificate, diploma or advanced diploma.

Data released by the Australian Bureau of Statistics in 2020 shows that there was a 7 per cent drop in the number of women enrolled at universities and some vocational courses, and a 2 per cent drop in the number of men. Participation among women above the age of 25 dropped more sharply than among younger women and the presumption is that many of these women have been forced to abandon or at least postpone their studies to undertake caring duties, including supervising children learning at home.

Initially suspicious of the figures, Norton found that women with children were more likely than those without to defer or abandon study when the schools closed and children were learning at home. He also noted that difficulty in completing clinical placements and teaching rounds during COVID-19 restrictions might have contributed to these declines, as women make up the majority of students in health and education courses. Moreover, he found that the gender differences in enrolment could be partly explained by the timing of travel bans. Chinese students, the majority of whom are female, were prevented from entering Australia on 1 February, while Indian students, who are more likely to be male, were not excluded until 20 March, exacerbating the gender difference.

Aboriginal and Torres Strait Islander students

The Department of Education reported that nationally, 6296 applicants from an Indigenous background applied to university, an increase of 7.7 per cent compared with 2019. This represents 2.2 per cent of all applications. Offers to Indigenous applicants increased by 6.9 per cent to 4987 in 2020. 79.1 per cent of applicants from an Indigenous background had attracted an offer in 2020.

The introduction of bespoke measures to support the transition of Aboriginal and Torres Strait Islander female students graduating from high school to attend university would contribute to high rates of applicants and graduates. Universal access to childcare would also support Aboriginal and Torres Strait Islander women undertaking undergraduate and postgraduate studies including higher degrees and research.

In this Budget, the additional post-graduate scholarships for Aboriginal and Torres Islander nurses and allied health professionals to specialise in aged care and dementia is welcomed but should be expanded to other priority areas.

What are the 2021 Budget impacts on women?

Higher education workforce

Universities Australia asserts that the Australian Government's assumption that Australian borders will remain shut until mid-2022 will adversely impact revenue of the university sector for 2021. With little additional funding going into the university sector and without international students due to ongoing border closures, Universities Australia estimates at least another \$2 billion will be lost this year. High job losses for casual and part time staff in the sector, mainly women, should be expected for 2022.

Secure career pathways for early career female academics seem precarious at best with the number of men outnumbering the number of women in permanent, senior academic positions. Workplace mobility in the Australian university sector will be reduced and talented emerging researchers will seek positions internationally or in research teams at private institutions which are well resourced and supported. It will prove difficult to build cutting-edge technology hubs in the absence of properly-resourced university staff and infrastructure.

Higher education students

As outlined in NFAW 2020 Gender Lens on higher education, the changes to student contribution for courses as result of the Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020 adversely impacts women.

The impact of the Jobs Ready Graduate package is yet to be reflected in the Quality Indicators for Learning and Teaching (QILT) suite of surveys. Data on whether this substantial change to courses has incentivised students will be available in the future from the Department of Education, Skills and Employment (Portfolio Budget Statements No 1-4, p. 51-52, 2021).

However, the impact is likely to be felt more keenly by young women, particularly those from low socio-economic backgrounds, mature age women, Aboriginal and Torres Strait Islander girls and women and women with disabilities. In 2020, the most popular fields of non-school study for women were Society and culture (28%), Management and commerce (19%), and Health (19%). The first two of those courses are in Band 4, which includes law and economics, management and commerce, society and culture, humanities, communications and behaviour sciences. Students especially women who choose those courses are being required to choose between a career of their own choice or unsustainable levels of debt which will impact their ability to purchase their own home and sustain a good living standard.

Many submissions to the Senate Inquiry to Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020 asserted the student contribution for courses in commerce, humanities, communications, economics and law was inequitable especially to women. For example, the Australian Communications Advocacy Group

[\(ACAG\) submission](#) to the Inquiry highlighted that the public relations and communications industry is female-dominated, with women accounting for 69 per cent of professionals, men representing 29 per cent and 1 per cent preferring not to state their gender.

Women will benefit from the \$216.7 million over three years from 2021–22 to upskill the aged-care workforce through additional nursing scholarships and places. Women should also benefit from the \$27.8 million to attract more nurses, psychologists and allied health practitioners working in mental health through 280 scholarships and 350 clinical placements.

Whatever the case of the decline in female enrolments, measures in the [Women's Budget Statement](#) that support more women to pursue higher degrees in STEM are welcomed. In 2020, of the 445,100 Australians studying science, technology, engineering or mathematics (STEM), 72% of these students were men. The new measures include:

- \$42.4 million to support over 230 women to pursue higher STEM qualifications by co-funding scholarships in partnership with industry.
- \$600,000 (from existing funds) for the Women in STEM Ambassador to develop an evaluation toolkit for gender equity programs (Women's Budget Statement, p. 53, 2021).

The desire of the Australian Government to boost the numbers of women in non-traditional trade occupations and women in STEM does not extend to measures to support students to minimise financial stress and poverty, to maintain wellness, and [to successfully complete their tertiary qualifications](#). These would include improved support in accessing childcare, as well as respite care, social security and social housing.

Even before the pandemic, [research](#) showed that young people, including graduates, were finding it harder to get a foothold in the labour market. Those who have recently graduated are experiencing some of the harshest effects of the pandemic. The current decrease in affordable housing across metropolitan and regional Australia together with continued austerity measures for social security payments will have adverse impacts on students who are young women from low social economic backgrounds, matured aged women and Aboriginal and Torres Strait Islander women, and women living with disability.

Recommendations

NFAW recommends that the Australian Government:

- Institute equitable fee structures for all university courses;
- Recognise the pivotal role of higher education the recovery of the [Australian economy](#);
- Restore *per capita* funding through the Commonwealth Grants Scheme to enable universities to provide quality teach and end their dependency on casual staff;

- Consider the 12 point plan proposed by Universities Australia that would create a sustainable funding system capable of providing comprehensive support for teaching and research;
- Provide new scholarships to help enable women offset education, travel and childcare costs; and
- Increase the number of scholarships/fellowships for early career researchers for women and annual funding for travel and childcare for presentations at conferences.