

**National Tertiary
Education Union**

Let's aim higher

NTEU Submission to the

Commonwealth Government's COVID-19 Response Inquiry

Held by the Prime Minister and Cabinet.

[Redacted]
National President, NTEU National

Dr Terri MacDonald
Director, Public Policy and Strategic Research

[Redacted]
Policy Officer, Public Policy and Strategic Research

15.12.23

Overview

The National Tertiary Education Union (NTEU) represents the industrial and professional rights of over 28,000 members working in Australian higher education and research.

We welcome the opportunity to make a submission to Expert panel on the Commonwealth Government's COVID-19 Response Inquiry.

Executive Summary

The impact of COVID-19 was felt through every part of Australia's economy and society. However, while most industry sectors were able to access government support, the public tertiary education sector was specifically excluded by the Morrison led Federal Government.

As a result, public tertiary education providers, and in particular, Australian public universities, were severely impacted, losing billions.¹ The primary driver of the economic losses for public universities was the early closure of Australia's international borders, essentially halting our \$4b international education sector overnight.

It is necessary to highlight the importance of international education to Australia's public universities, given that over the last 20 years, successive governments have reduced the scope of public funding to public universities.

As a result, universities have looked to other sources of revenue, with their primary revenue growth coming from international student tuition fee income. International student fee income has been particularly appealing to universities because it is discretionary income, meaning that universities are free to utilise that income as they see fit. This created a culture of risk taking. From 2010 to 2019, domestic student enrolments grew by 27% and at the same time overseas student enrolments grew by 56%. Over the same period international student fee income went from accounting for 18% of public university revenue to 27.3% - a structurally significant amount.

The sudden and almost overnight halt to international education, along with the Morrison government making clear to international students who were here that they would not receive government help and should 'go home', drove much (but not all) of the loss of income to public universities.²

Overall, the effect of the coronavirus has been to exacerbate the inequities in the higher education sector, where the wealthiest institutions earn 10 times as much as the smallest. Overall, Australian higher education institutions boosted their domestic enrolments by almost 30,000 in 2021, as international student numbers crashed by nearly 50,000. But these gains and losses were uneven, with regional, remote, and outer metro institutions

¹ In February 2021, Universities Australia [announced](#) universities had lost \$1.8 billion in revenue for 2020 and faced a \$2 billion loss in 2021.

² Along with this, some universities also saw losses in terms of their investment portfolios, but as with international education, this was not evenly spread.

suffering the worst of losses. In fact, Department data shows that in 2021, student numbers fell by between 5 per cent and 17 per cent at regional universities including Central Queensland, Charles Sturt, Federation, New England, Southern Cross, and Tasmania. In contrast, student numbers increased at each of the Group of Eight (Go8), typically well established, well-resourced research-intensive institutions.

The University of Sydney did particularly well, boosting overall student numbers by 7 per cent, with international enrolments increasing by 10 per cent. Around 22,000 of the institution's 35,000 foreign students remained enrolled outside Australia.

However, while the financial impact was uneven, almost all institutions underwent job losses, with around 35,000 jobs lost during COVID. Research commissioned by the NTEU found that 61% of these job losses were by women, and that casual and professional/general staff bore the brunt of job losses. The large research-intensive institutions, including University of Sydney, all shed hundreds of staff jobs.

Research by sector analysts has calculated that overall, around 10% of the full-time equivalent workforce lost their jobs during COVID, but that overall, university revenue fell by 5% overall (again, noting that this was not evenly spread). However, it is clear that many university managements used COVID as an opportunity to implement restructures and reduce staff numbers, in many cases, excessively.

These statistics however do not reveal the experiences of staff during COVID. Towards the end of 2020, the NTEU undertook a COVID related survey of university staff, in the midst of the COVID crisis. We have attached the findings of our survey, entitled *2020 Special State of the University Sector Survey (2021)* to this submission, noting that:

- 18% of respondents who were working from home in November 2020 reported not having sufficient resources to do so.
- Teaching and teaching-research academic respondents were by far the most likely to report workload increases after COVID-19, with 86.6% of women and 83% of men in this group affected.
- The majority of professional staff respondents were affected by increased workloads, comprising 55.3% of professional staff women and 51% of men.
- 40% of female and 42% of male research only respondents reported workload increases.
- Respondents across all work areas were overwhelmingly concerned about the welfare of their colleagues and loss of employment.
- Academic respondents, including teaching and research staff, were very concerned about the loss of work opportunities coming from increased workloads and other COVID-19 impacts.
- Women respondents were generally somewhat more concerned about the impacts of COVID-19 on their working lives.
- Professional and research only respondents were more concerned about losing their employment than teaching only and teaching/ research academics respondents.

Also provided with this submission is the NTEU's commissioned research on the impact of COVID on public universities, undertaken by the Australia Institute's Centre for Future Work in 2021. This widely cited report, *Higher Education at the Crossroads* (2021) found that:

- Since 2013, funding for higher education has declined in real terms by 2.6%, despite a 23% increase in student enrolments.
- Federal Government funding as a percentage of university revenue has more than halved since the 1980s, declining from 80% in 1989 to only 33% in 2019. In Budget 2022-23, the then Coalition led government forecast a cut to real university funding of 3.4% over the forward estimates.
- Universities responded to pandemic shock with dramatic job cuts. In the 12 months to May 2021, 40,000 jobs in public tertiary education were lost, with 88% (around 35,000) of these losses estimated within public universities.
- The Federal Government's Job-Ready Graduates reforms result in a reduction in government spending on student learning of \$1 billion per year, while student contributions increase \$414 million per year.
- Despite COVID shocks, sustained international student fee intake combined with reduced teaching costs through online distance education and job cuts primed universities for healthy surpluses in 2020 and 2021.
- Reduced government spending and university deregulation has led to teaching and learning crisis. Rampant casualisation, short-term contract use, excessive workloads, and wage theft characterise employment arrangements in Australia's universities.
- Delivering post-COVID reform to the sector including replacing the thousands of secure jobs lost, expanding public research and implementing a new national governance body for the sector would cost an estimated \$6.9 billion per year in additional higher education funding. This funding would generate almost 27,000 additional jobs (FTE) in higher education through easing workload pressures, additional researching funding and staffing a new independent higher education agency. This could also cover tuition-free undergraduate education.

Together, these reports provide a detailed picture of the experiences of higher education workers during COVID. It was a time marked by excessive workloads, increased stress and psycho-social harms and worries over job security. Higher education staff who kept their jobs did their utmost to pivot to new online teaching and learning platforms and appropriate administrative, academic and pastoral care (while juggling work at home/carer arrangements), this was not always successful.

Both reports also reference the Morrison government's Job Ready Graduates (JRG) package of policies, which was passed in 2020 during the worst of the COVID crisis in the sector. While then Education Minister Tudge attempted to promote the JRG as being beneficial for universities and students, in effect it only served to make a bad situation far worse, stripping away more public funding whilst at the same time unfairly increasing the financial burden on students. Indeed, the JRG cut public funding by 14 per cent and increased on average student debt by 7 per cent - overall leaving universities 7 per cent worse off.

Analysis of the JRG program is outlined in considerable detail in the attached *Higher Education at the Crossroads* report, and it is worth noting that the sector is still dealing with the impact of the JRG changes and other related legislation, such as extreme increases in student debt as a result of HECS band changes to (humanities, social sciences and creative arts particularly affected) and HELP debt indexation changes. However, increased debt was just one of the ways students were negatively impacted during COVID, with job losses, rental increases and other pressures mounting. That said, many domestic students were at least able to access COVID specific government support programs such as Job Keeper. In contrast, international students were left to fend for themselves, with many left homeless, destitute, and reliant on good will and charity to survive.

Post-COVID response of the sector: higher education staff and student numbers

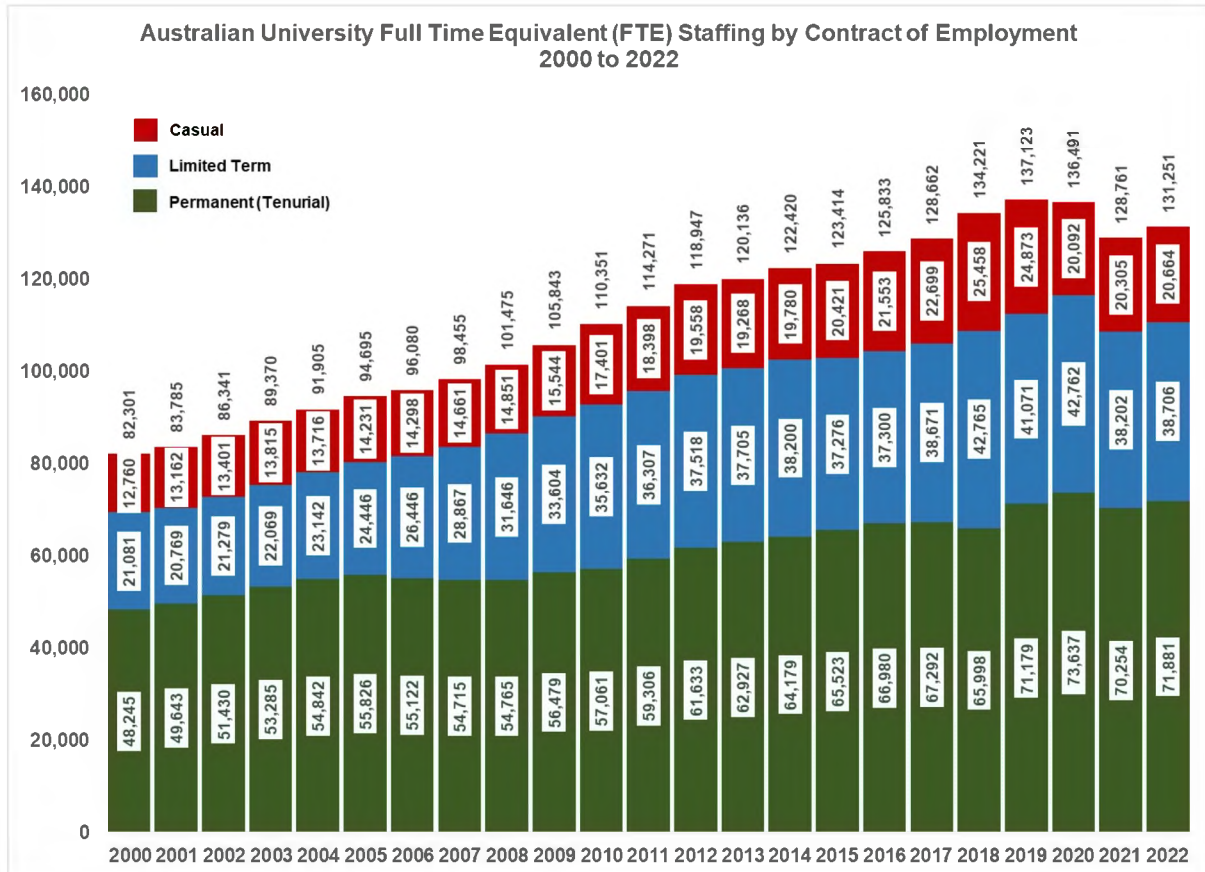
While it is clear that many institutions have come back from COVID in good to excellent financial health, the reality is that it was largely due to the thousands of job losses across the higher education sector. Looking at the data, the Union's view is that some managements appear to have exaggerated the financial impact of COVID in order to cut staff numbers under the cover of crisis, and the cover of the federal government's ban on JobKeeper for public higher education providers.

Support for the Union's view can be seen in our recent analysis of staffing data released by the Department of Education (2023), which has shown that the sector has not yet recovered in terms of staffing numbers when compared pre-pandemic (**see Figure 1**) despite growth in total enrolments.

Noting that the Department's data is for full time equivalent (FTE) and thus underplays the actual number of job losses by headcount (particularly in relation to casual positions), the sector's COVID related decline is still evident in the 2020 data. Importantly however, is that while the overall size and composition of the higher education workforce remained relatively stable from 2021 to 2022 (growing by 2,490 FTE (Full Time Equivalent) staff or 1.92%)³ there has for the same period been a significant post-COVID increase in student enrolments.

³ This included 1,627 FTE of additional continuing staff, 504 FTE of fixed term staff, and 359 FTE of casual staff.

Figure 1.



Source: NTEU analysis, Department of Education and Training staffing data, 2000 – 2022 time series

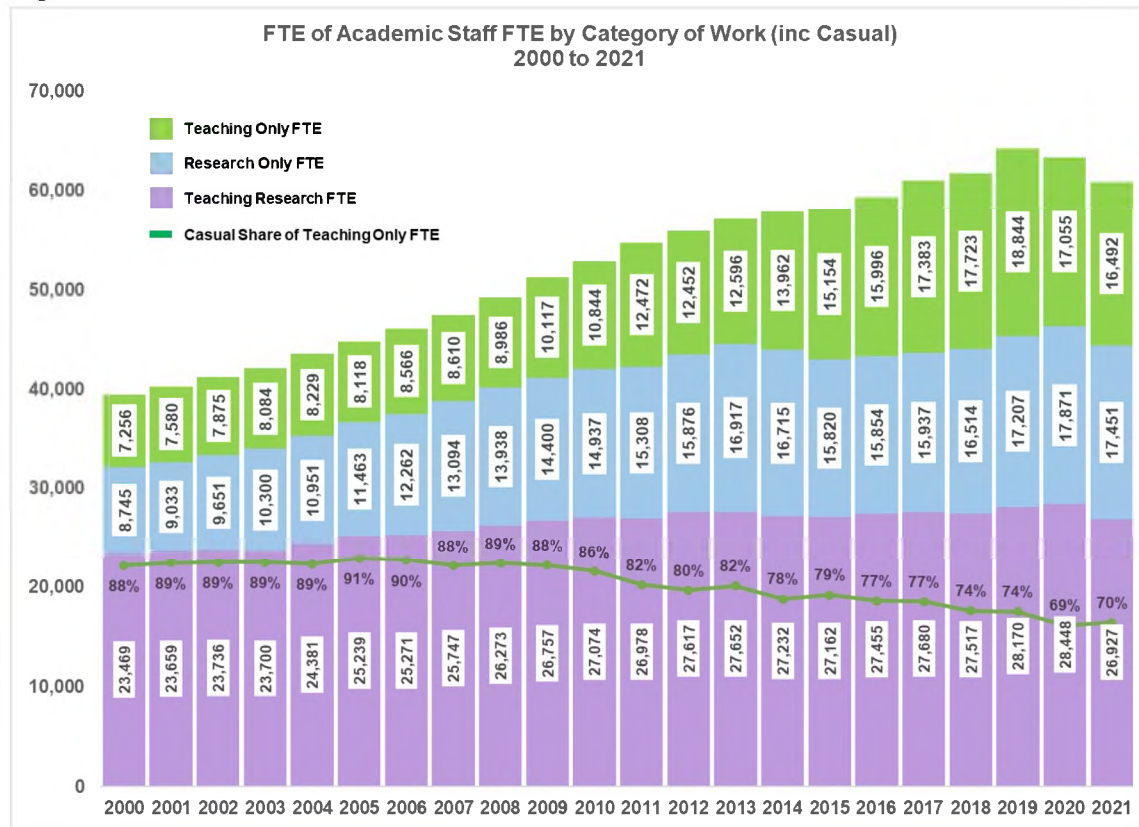
In 2021, there were 1.6 million university enrolments. Domestic student enrolments proved to stay relatively strong overall during COVID, and while international students numbers declined during this time, they have made a significant come back; in 2023 (year-to-date September 2023) there were 896,960 international student enrolments, a 2.5 per cent increase in enrolments on the same period in 2019 (before the COVID-19 pandemic).

Overall student enrolment numbers are not available for 2022 but given that in 2021 they were very close to all-time highs, and that numbers will almost certainly surpassed this in 2022 with international arrival records broken and domestic places growing, it presents a clear picture of student growth – while at the same time, staff numbers have not recovered.

One other point to note is the trends in staffing data by type of work.

Figure 2 below shows academic staff employment broken down into traditional teaching-research academic roles (purple), research only (blue) and teaching only (green). Also included are the proportion of teaching only staff that are casual (green line).

Figure 2



Source: NTEU analysis, Department of Education and Training staffing data, 2022

Several key trends are evident. The number of traditional academic roles has only increased by around 10 percent since 2000. Over the same period the number of teaching-only and research-only roles have each more than doubled, meaning that the share of academic roles that are traditional has dropped from 60 percent to around 44 percent – confirming that they are no longer the norm (2010 being the tipping point). This decline raises the possibility that these types of roles will come under increased pressure as they lose the critical mass needed to normalise their function in core academic units and defend their role in the system.

It is clear that university managements prefer specialised of roles, and it is notable that larger research universities have a higher proportion of staff on fixed term contracts as a result of their usage in research employment. It is also worth noting that at the same time as this trend for specialisation has taken hold, problems such as wage theft has become a sector wide issue. The NTEU's most recent analysis of wage theft (see the NTEU's second Wage Theft report) has found repayments across higher education to now be over \$20 million – and that is still climbing.

A final trend of note is the decline in the share of teaching focused staff who are casually employed (green line in Figure 2). This implies some success in reducing the casualisation of this type of work, a priority for the NTEU over the last 15 years. However, while some of this trend is almost certainly due to the Unions advocacy against the overuse of casual employment, we also know there are academic staff who moved from teaching-research roles under pressure from increasingly strict research output benchmarking policies.

Regardless, the data supports what the NTEU is seeing on the ground in our higher education institutions – a worsening of staff-student ratios and increased uptake of ‘specialist’ roles – resulting in even higher workloads, problems such as wage theft, and increased work-related psycho-social risks.

The NTEU has also started seeing more instances of scam contracting and gig worker arrangements, even with higher education workers providing direct teaching and student support. As higher education providers look for ways to decrease costs while increasing student numbers, it is clear that both staff and students will be negatively impacted.

RECOMMENDATIONS

Much can be learned from the experiences of both staff and students during COVID. The NTEU has put forward recommendations for reform as part of the current Universities Accord process, which includes:

- Adequate public funding for universities that reverses the JRG cuts and reduces reliance on international student fee income,
- Undoing other harmful measures of the JRG changes, including unfair and excessive student tuition fees,
- Measures to provide secure employment and address the exploitation of insecure workers,
- Fully-fund research, particularly basic (fundamental research),
- Improved higher education governance, including more staff and students in governance structures and more public sector experience on governance boards,
- Caps on excessive executive remuneration,
- Transparency in data collection.

The NTEU has also recommended to the Accord Review a government and sector supported future fund that would be a financial buffer in a future sector wide crisis, as well as support secure employment initiatives in the meantime.

These measures in no small part are intended to address the harms that resulted from the impact of the pandemic on Australia’s tertiary education sector. They are also intended to ‘future proof’ our public higher education providers from another similar national crisis and avoid the loss of tens of thousands of jobs.

The NTEU will continue to work to highlight the impact of COVID for higher education staff and students who, unlike some institutions, have not yet recovered from the pandemic.

Attachment A: McCarron, K & MacDonald T, 2020 SPECIAL STATE OF THE UNIVERSITY SECTOR SURVEY: The Impact of COVID-19 on Staff Working in Public Universities. Unpublished report, NTEU Public Policy and Strategic Research Unit.

Attachment B: Littleton, E. 2022 'At the Crossroads: What is the post-COVID future of Australia’s Public universities?' The Australia Institute, <https://australiainstitute.org.au/report/at-the-crossroads/>