

Funding education, training and research



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If our future really does rely on Australia becoming a clever country we are in a lot of trouble. That much is clear from three separate recent reports. They reveal that we are way behind our competitors in funding research and development (R&D); that Australia is one of only two developed countries to have slashed public spending on tertiary education; and that our employers are spending much less than before on training their staff.

The major Australian Universities' Group of 8 recently issued its *Benchmarking Australia's Investment in R&D* report. It does not suggest a country taking the subject seriously. Australia's R&D performance is well below the OECD average, however that is measured. Australia is outperformed by North America, Scandinavia and most Western European countries. In our own region, we lag behind Japan, South Korea, Taiwan and Singapore. Australia's R&D investment levels are now well below those of countries that we traditionally compare ourselves with. This is particularly alarming at a time when Australia continues to perform so strongly in gross domestic product (GDP) growth. Far too few of the fruits of that growth have gone into R&D. We continue to sit close to the bottom of the OECD table for business expenditure and have also slipped in our rankings for government contribution and Higher Education expenditure. According to the Australian Vice Chancellors Committee, Commonwealth research funding as a percentage of GDP has fallen by twenty per cent in the past decade.

A second study, *Education at a glance, OECD Indicators 2002*, ranks Australia at the very bottom of a 23-country table measuring changes in public spending on tertiary education since 1995. And what's more we come in a long last. Of the twenty-three, only New Zealand matches our feat of actually cutting spending, though by a much smaller margin. While Greece, Turkey and Ireland have almost doubled their spending, we have managed to cut by more than ten per cent, despite the fact that Australian students are paying the third-highest fees. Australia spent just 0.8 per cent of GDP on tertiary education in the period under review.

The third of these alarming reports comes from the Dusseldorp Skills Forum. *You value what you pay for: enhancing employers' contributions to skill formation and use* focuses on the contribution of employers to training the workforce. Again, the picture is bleak. Industry funding is falling sharply. Australia has been amongst the world's worst-performing countries in creating secure, high-skill white collar and professional jobs. Almost all our recent job generation has been concentrated in casual and short-term work. Training provided to these non-standard employees is found to be limited at best and often simply non-existent. Inevitably, this means an aggregate workforce that is becoming less skilled over time. That is the very opposite of the direction governments purport to be heading in.

What's worse is the nature of what training is being done. Worshipping as we still are at the altar of deregulation, industry has enthusiastically embraced

an enterprise orientation for training. Working 'smarter not harder' has become a mantra for industry 'reform' programs, but there is scant indication that it is actually happening. The evidence suggests that, in fact, precisely the opposite is occurring. The Dusseldorp report finds little evidence of a strong training culture in Australian workplaces. Enterprise-funded training has declined since the mid-1990s, as measured by both hours per employee devoted to structured training and dollars spent per employee. The burden of training costs has shifted inexorably from employers and government to individuals. Against a background of rhetoric supporting clever country strategies, could there be a better example of false economy than this?

Making things worse, the swing to enterprise-driven traineeships is identified as having narrowed the focus of training to limited local factors, fuelling serious concerns for overall training quality and the broader skill levels of people undertaking these programs.

This outcome again suggests the very opposite of supposed policy objectives, given that one of training reform's most strongly-articulated objectives was elimination of barriers to movement from state to state, industry to industry and enterprise to enterprise.

Clearly, greater spending is necessary in all three areas discussed. But that will not be sufficient in itself. Proper targeting of funds will also be essential. On R&D, the Group of 8 is arguing strongly for much higher business investment in research. They may or may not be successful but in the interim it is obvious that the universities will have to take up the slack. In turn that cannot happen unless public funding for education is increased. Finally, if the workforce is to be better trained and thus more highly skilled, employers will have to commit to a more serious training effort. To achieve that, the Dusseldorp Forum wants to kill off the current low-cost, low-skill path to productivity improvement, wherein short-term improvement is sought through work intensification and lower pay rates. It notes that Denmark and France, two countries with indisputably successful training regimes, have achieved vastly superior results with policies built around industry training levies and a focus on quality outcomes rather than input-costs.

With more and more ALIA members expressing concerns about increasing casualisation of employment and its attendant reduction in training and development opportunities, these are vital issues for Australian librarians. They will hope that both government and industry can quickly accept the wisdom of moving beyond superficial slogans to genuine engagement with the issues raised so lucidly in these three important reports. ■

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