

## **MEDIA RELEASE 05/2011**

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### **University reforms remain on track**

The 2011 Budget renews the Government's support for the reform program it outlined in 2009. The major elements remain in place, notably:

- funding universities for all students they enroll from 2012;
- indexing funding by a more realistic measure to maintain the real value of funding;
- raising funding for the indirect costs of research to 50% of the competitive research grant pool; and
- a more effective Youth Allowance and scholarship program, targeting students from disadvantaged backgrounds.

"The Government's commitments provide the basis for universities to contribute to the skilling of Australia, consistent with the Government's renewed focus on strengthening the Australian workforce set out in its major measures in this Budget" said Professor Ian O'Connor, IRU Chair.

The doubling of funding to support regional higher education provision helps offset the challenge some universities face to offer a range of courses of quality to people across regional Australia. The IRU also looks forward to its members bidding for the EIF Regional funding round. For this to be fully effective the eligibility must extend to all universities that service regional areas and significant numbers of regional students.

"The decision to push back performance funding is disappointing but understood in the context of the Government's overall budgetary needs," said Professor O'Connor.

"Performance funding and the loading for low-SES students are the main additions to funding per student in the Government's implementation of the Bradley reforms. Development of the performance measures has been slow due to the complexity of the issues involved. The advantage is that we now have more time to get these right and that some of the funds saved will be used to support development of suitable instruments for performance funding."

"It is now crucial that the Government respond to the Base Funding Review (reporting in October 2011) to provide the higher level of funding per student that will allow universities to provide the quality outcome that students, employers and Government expect" Professor O'Connor said.

The IRU does not oppose the halving of the discount for up-front payments by students. The decision reduces an option available to students who have access to the funds to pay upfront. All students retain the right to defer payment and repay based on subsequent income. The IRU considers that most people likely to pay upfront will continue to do so providing the Government a saving it otherwise might have taken from direct funding for teaching and learning or research.

"The small savings to the Collaborative Research Networks and the CRC Program should also be considered in light of the budgetary position. The IRU regards the CRN program highly as an important means to strengthen research capacity across all universities. The saving reduces its scope but not its importance" said Professor O'Connor.

Further information on the change to the discount for upfront payment of student contributions is at <http://www.iru.edu.au/news/articles/background-halving-of-hecs-discount-for-upfront-payment.aspx>

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