

IRU MEDIA RELEASE 11/2013

2 July 2013

Demand driven funding works

The challenge of effective funding of Australia's universities is not to be fixed through retreating to a system of allocating universities limited numbers of university places. Demand driven funding works. Let's not ruin it.

As the Prime Minister said (29 June 2013)¹:

Did you know this? Since we were elected five or six years ago, there are now 190,000 more Australian kids at universities than there were before. Because we took a policy decision which said if you are able, on merit to get into university, Australia should give you a place to be in university.

As the Treasurer, Mr Bowen said in March²:

The demand-driven system is clearly the most significant reform to higher education since the Dawkins reforms 25 years ago. It is underpinning an expansion of access to a new generation of capable and committed students. ...In addition to improving access, the demand-driven system means increased competition for students, particularly as unmet demand starts being soaked up. Universities are having to think harder than ever about what distinguishes them from other institutions, to reshape their core missions, and to align their academic offerings accordingly.

The Prime Minister and the Treasurer are right. The demand driven system is a major reform of the Government, one of the few accepted by both sides of politics. There is no sense undermining it to address a funding pressure that is now almost past. The current estimates are for funded undergraduate places to rise from 512,600 (2012-13) to 589,000 (2016-17), sufficient to be on track to, but not yet reach, the target of 40% of people aged 25-34 with a degree³.

Opening up universities to all eligible candidates has raised the number of students studying science and technology degrees and health profession degrees at a much higher rate than the growth in business, law and arts degrees.

The number of bachelor students in the natural and physical sciences was twelve per cent higher in 2011 than in 2009, growing from 63,000 equivalent full time students to nearly 71,000. Likewise in the smaller agriculture and environmental sciences the growth was twelve per cent, up to 6,600 full time equivalents. Engineering grew from 27,000 to 30,000 another 12 per cent growth⁴.

The previous capped system discouraged growth in these important disciplines.

¹ Prime Minister Transcript of Doorstop Interview, Springwood, 29 June 2013

² Chris Bowen, Minister For Tertiary Education, Skills, Keynote Address, Universities Australia Higher Education Conference, Canberra, 27 February 2013

³ 2013 DIICCS RTE Portfolio Budget Statements 2013-14, Program 3.1 Deliverables, p87

⁴ Demand driven system fuels growth in science and technology students,

<http://www.iru.edu.au/news/executive-director's-comment.aspx>, data from DEEWR DIISRTE Annual Student Statistics table 4.5 All student load, 2009 2010 2011

The growth in places has been larger in universities located where people live, rather than the already large inner city universities, strengthening the options available to Australians seeking university education.⁵

The argument of a risk to ‘quality’ has no credibility. It focuses on entry capability, not what people gain through their degree and their level of knowledge and skill at graduation. If only the top 50% of primary school students could enter high school, the ‘quality’ of high school students would be higher – and the educational outcomes for Australia overall much lower.

The universities of the IRU have shown that people with a wide range of entry capability can gain from university study and complete a degree. They have done so since their foundation. That does not hold back the very academically able. What it does mean is Australia has more and more people with greater knowledge of the world and greater capability to contribute to it.

The 2013 Budget decisions to cut the value of future university funding and to transform support for students with limited means from a payment to a loan are a problem. The Government should look again at those decisions. The answer is not to return to the distant past but to ensure the significant reforms announced in 2009 and effectively implemented since then are carried through.

Let’s not ruin a major achievement of the past 6 years.

Contact

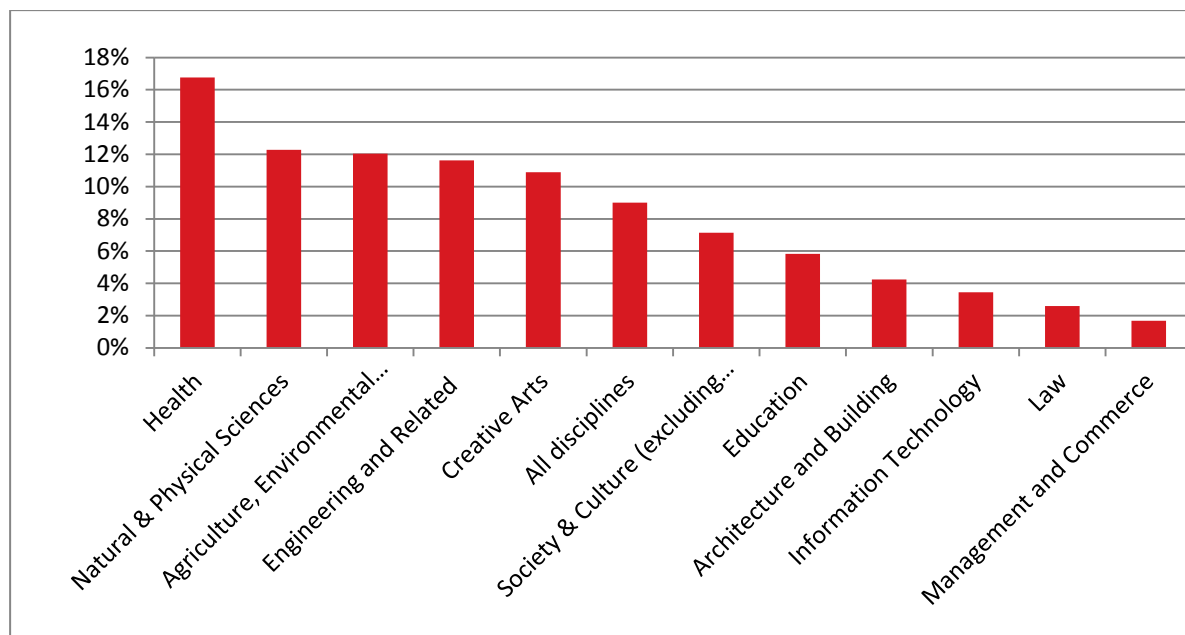
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Percentage Growth in funded undergraduate places by discipline, 2009 to 2011



⁵ C King, R James, ‘Creating a Demand Driven System’ in *Tertiary Education Policy in Australia* edited S Marginson, Centre for the Study of Higher Education, 2013 Forthcoming