

## IRU STATEMENT 05/14, 14 May 2014

### Higher Education: A package to explore for the future

The IRU will engage actively with the Government on the final shape of the interlinked set of changes to the structure of higher education in Australia it announced in the 2014 Budget.

Bringing together all higher education provision in Australia with a combination of base Government funding and open-ended student charges is a major package of change. It builds off the demand driven funding system and significantly alters it through removal of limits to student charges.

“The crucial test is that the new arrangements support an expanded higher education system that provides good quality education available across Australia to all Australian seeking to improve their knowledge and skills. It cannot be permitted to discourage people from education,” said IRU Executive Director Conor King.

“There is much work to be done to sort out how each major change should be implemented. There was considerable opposition to the demand driven system when first announced which have since faded. We need to learn from the experience that sensibly staged changes give providers, potential students and Government the time needed to take advantage of changes and avoid problems.”

To return pre-bachelor qualifications to the demand driven system and to extend funding to all interested higher education providers, aligning the funding and quality systems, are positive steps to build on the success of the demand driven system to date. They will create more opportunities for Australians seeking higher education.

The more open system will see providers flourish, others struggle, and some simply choose to finish up. The quality system will need to be sufficiently robust to work with this, not to prevent failure but facilitating provider entry and exit, ensuring students are not adversely affected.

The most challenging decision is to remove most controls on student charges. Income contingent loans and a base Government contribution will dull the price signals of higher charges, giving greater Government support the more students agree to pay. The risk of high levels of HELP debt to student and Government is clear.

IRU has long advocated continuing with charging caps, set to ensure universities have sufficient revenue to provide good quality education.

“Ensuring the open charges system is introduced well, is a major challenge.” Mr King said. “The changes move more of the cost of higher education onto students, including research students. We need to ensure that this works and that students gain the education they deserve and need for the additional impost.”

IRU is pleased that its Chair Professor John Dewar will Chair the Legislation and Implementation Advisory Group to assist the Government with the considerable tasks ahead.

The research package provides a further year’s support for national research infrastructure with a longer term rolling program a challenge for the Government ahead. Making the Future Fellows scheme an ongoing scheme is a major step forward to ensuring support for leading researchers at crucial stage of their careers.

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