

9 May 2017

**IRU STATEMENT 7/2017**

## **Budget confirms students pay more for universities which have less**

The 2017 Budget confirms a double whammy to universities and their students - the Government is asking students to pay an additional 7.5% for their education by 2021, while applying cuts of \$2.8bn in Commonwealth support to Universities. All up the Commonwealth reduces its investment by 10% leaving universities down 2.9% a year.

"I am deeply concerned that students are being asked to pay more," said Professor Colin Stirling, IRU Chair and Vice-chancellor of Flinders University. "The planned increases may deter some students from accessing the benefits of higher education, an outcome that would not only limit the opportunities available to individual Australians but would also be detrimental to our nation's future in the knowledge economy.

"The cuts made directly to universities will erode the proposed increased contribution from students. Therefore universities will have to do more with less. Our sector is an Australian success story, the third largest export industry in the country. It is crucial that we maintain our capacity to invest in the future of Australian university education in a challenging and highly competitive global market." Professor Stirling argued.

"Public universities do not make profits. Annual surpluses are not profits taken by shareholders, but provide the funds necessary to invest in the infrastructure that is essential to the future of our universities." said Professor Stirling.

The Government places much emphasis on universities being accountable.

"IRU welcomes the opportunity to demonstrate accountability for the great work being done in our member universities. However, the metrics to be used must be transparent and must adequately reflect the diversity within the Australian university sector and in the student bodies that they serve.

"The measures cannot be allowed to undermine the progress made by all universities, and especially by IRU members, to extend the number of students from underrepresented backgrounds such as students from low socio-economic areas and Aboriginal and Torres Strait Islander students."

"We welcome the opportunity to work with the Government on these proposals to ensure that the Australian University sector can build on its outstanding international reputation for excellence. If we can improve the core fiscal changes there is much good we can do with this Package," Professor Stirling concluded.

END

**For comment contact**

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### Impact of proposed changes to Commonwealth Grant Scheme and Student payments

For every \$100 of revenue from Commonwealth Grant Scheme and students based on Government statement that current split is \$58 to \$42 between Government and student

	2017	2018	2019	2020	2021
<b>Government CGS</b>					
Base from previous year	\$58.00	\$58.00	\$55.79	\$53.56	\$52.76
Less student increase		-\$0.76	-\$0.78	-\$0.79	-\$0.81
Efficiency dividend		-\$1.45	-\$1.45	\$0.00	\$0.00
<b>New Total</b>	<b>\$58.00</b>	<b>\$55.79</b>	<b>\$53.56</b>	<b>\$52.76</b>	<b>\$51.96</b>
Loss		-\$2.21	-\$4.44	-\$5.24	-\$6.04
Percentage change from 2017		<b>-3.8%</b>	<b>-7.7%</b>	<b>-9.0%</b>	<b>-10.4%</b>
<b>Student</b>					
Base from previous year	\$42.00	\$42.00	\$42.76	\$43.54	\$44.34
1.82% increase		\$0.76	\$0.78	\$0.79	\$0.81
<b>New total</b>	<b>\$42.00</b>	<b>\$42.76</b>	<b>\$43.54</b>	<b>\$44.34</b>	<b>\$45.14</b>
Gain		\$0.76	\$1.54	\$2.34	\$3.14
Percentage change from 2017		<b>1.8%</b>	<b>3.7%</b>	<b>5.6%</b>	<b>7.5%</b>
<b>University revenue</b>	\$100.00	\$98.55	\$97.10	\$97.10	\$97.10
Loss		-\$1.45	-\$2.90	-\$2.90	-\$2.90
Percentage change from 2017		<b>-1.5%</b>	<b>-2.9%</b>	<b>-2.9%</b>	<b>-2.9%</b>
Student %	42%	43%	45%	46%	46%
Government %	58%	57%	55%	54%	54%