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Will Australia have the universities we need for the future?

The IRU has long argued the need to improve investment in Australia's universities to ensure they provide the education and research needed to underpin future prosperity. We have set out the challenge Australia faces to find the resourcing universities require from the combined capacity of Government and students – the higher education trilemma.

The Australian Government's Higher Education package meets the Government's fiscal needs to reduce Government expenditure but does so at the expense of universities, not in support of them.

In doing so, the Government undermines the value of many elements in the package that would otherwise encourage universities to perform even better.

It detracts from our capacity to work with the Government on those proposals that have value only if well developed and implemented.

The assertion that universities have been so effective in containing costs in recent years that they should be rewarded with reduced revenue begs the question whether the Government wants universities to be well run efficient organisations or not?

The Deloitte report is a testament to the willingness of all within universities to shift the balance of expenditure to ensure universities can invest in the future infrastructure required for modern higher education. A university surplus is an investment in the future. With revenue reduced we will be that much less prepared.

Universities face a 1.4% reduction in base revenue in 2018 and similar reduction in the years to follow. Reducing funding to one of the main drivers of economic growth, prosperity and innovation, is not a smart decision.

There is much to work through should the Higher Education Package gain the support of the Parliament.

The IRU strongly supports improving understanding of how to access university and the success of students once enrolled and data about their future employment. Better information should encourage potential students to choose their course based on their own needs and a reasoned analysis of which course and university will best support them, rather than relying on tired rumours of past glories.

With our commitment to inclusive excellence we are willing to explore stronger incentives for universities to ensure the best outcome for all of their students. The Government is rightly focussed at setting targets relevant to each individual university reflecting the students each teaches and the local context in which it operates.

However, to have 7.5% of the Commonwealth Grant scheme funding at risk after already losing 5% to the Government's fiscal objective puts great pressure on each university. Such incentives should be additional.

IRU members are alert to the impact of the changes on the willingness of Australians to pursue their education aspirations.

Past experience with lower HELP repayment thresholds in the decade from 1998 suggests that those changes, while a challenge to any individual facing higher repayments, will not deter.

The impact of higher student contributions remains to be seen. So far each increase has been outweighed by the advantage of a university education.

The IRU supports building the Higher Education Participation and Partnerships Program (HEPPP) into the *Higher Education Support Act*, and paying it primarily as a loading for each low SES student. This ensures the amount of funding will grow as university enrol more low SES Students, with IRU members leading the growth in such students over the past five years.

Our achievements here will be enhanced further with the creation of regional study hubs to support better access to university.

Some parts of the package require extensive work to understand their likely impact and to ensure they work to achieve the desired outcome. The current funding for postgraduate courses is a mess of funded and fee paying places. To start again is necessary. The question is whether a scholarship or voucher model can work. The prime question is how any body can decide nationally which set of the people seeking a funded postgraduate place should miss out.

The changes to enabling places will force those students to commit to a HECS-HELP debt before they know they are suited to university education – the very point of undertaking an enabling program. That is why a high proportion rightly do not continue on to a degree program. That outcome is the result universities and individuals exercising the quality judgement that further study is not yet suitable for that person. We need to be sure that the change will not drive away the target group.

The IRU recognises the challenge the Government has to balance fiscal objectives with the long term needs of the country. The package does not yet get that right.

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For comment contact

IRU Executive Director, Conor King M: 0434 601 691