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IRU STATEMENT 12/2017

IRU urges Senate to reject Higher Education Legislation

In its submission to the Senate Education Committee the IRU calls on the Senate to reject the Government's *Higher Education Support Legislation Amendment Bill 2017*.

"How can we ask students to contribute more to get less in return?" asks Professor Colin Stirling, IRU Chair and Vice-Chancellor of Flinders University.

"The package will harm education and research outcomes."

"It is simply wrong to say universities can afford a cut. We do not make profits but create annual surpluses to invest in renewal of what we do and the resources that let us do it. Surpluses enable us to educate the graduates our economy requires into the future," Professor Stirling said.

"Year by year the value of funding is intentionally eroded through under indexation. Universities do not need an additional 'efficiency dividend' when the index has imposed one annually since 1997."

"The current proposals will decimate Commonwealth support for University education with a 10.5% reduction in the Commonwealth Grant Scheme. Some of this cost would be shifted to students through increased fees but the shortfall will mean an inevitable reduction in services to students.

"A further 7.5% of Government of base grant will be subject to performance outcomes through a mechanism that has yet to be described and according to undefined metrics that might change from year to year. No case has been made that this system will improve outcomes for all students enrolled in Australian universities."

"The size of the performance fund is out of balance with the pressure already on universities to attract students and the suite of information now available to guide student choice."

"We support accountability. We support publishing performance data. We don't need a performance fund that punishes students because their university does not meet targets".

"The Australian Government investment in Universities is low by international standards while our students are already paying some of the highest fees in the world for public university education," he said.

Universities have achieved significant structural change in how they use revenue, tightly constraining recurrent costs, notably staffing, to avoid running down into institutions incapable of meeting future demands.

"Universities need a reasonable resource per student. This Package does not deliver it" Professor Stirling concluded.

END

Measure by measure – IRU response to each proposed change is below.

The full IRU Submission is available <https://www.iru.edu.au/policy/policy-submissions/>

For comment contact

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Measure by measure – IRU response to each proposed change

1. *Student Fee Increase*

The IRU opposes students paying more for their degrees to universities receiving less funding.

2. *Commonwealth Grant Scheme – student payments offset, efficiency dividend and extended high cost loading*

The IRU:

- opposes the Commonwealth Grant Scheme cuts both ‘efficiency dividend’ and offset for higher student charges; and
- supports extending the medical loading to include units of veterinary science and dentistry.

3. *Performance contingent funding for universities*

IRU opposes the proposal as developed for putting too much funding at risk for modest return on university outcomes.

A smaller targeted performance-funding element could provide a useful incentive, built around university by university targets.

4. *Scholarship system for postgraduate coursework places*

The IRU:

- does not support amending the Act for a voucher scholarship scheme until the main elements of how it will operate are known and deemed suitable; and
- does not oppose the Government lowering the 2018 allocation of Postgraduate coursework places for universities that have not been able to use allocated places in recent years;
- opposes the extension of funded places to all higher education providers the Minister approves under HESA.

5. *New arrangements for sub-bachelor courses*

The IRU supports the extension of demand driven funding to sub-bachelor qualifications.

6. *New arrangements for enabling courses*

The IRU:

- opposes the conversion of the enabling loading into a student payment;
- supports a rolling competitive process to allocate places, avoiding the current ownership of enabling by some universities;
- opposes the extension of enabling places to all higher education providers the Minister approves under HESA.

7. *Expansion of support for Work Experience in Industry units*

The IRU supports the proposal to fund these units.

8. *New schedule of repayment thresholds for the HELP*

The IRU:

- supports the revamp of the HELP repayment thresholds to have a regular sequence of increases tied to steps up in the proportion of income to be paid; but
- is concerned that the proposed first threshold of \$42,000 is too low, with the Government needing to provide a clear rationale for it with an assessment of its impact.

9. *New indexation arrangements for repayment thresholds for the HELP*

The IRU supports the change of index for HELP thresholds.

10. *Replacing subsidies with loads for most permanent residents and New Zealand citizens*

The change saves Government a small amount at the expense of discriminating against the children of some sets of long-term Australian residents who have not taken out citizenship.

11. *Higher Education Participation and Partnerships Program (HEPPP)*

The IRU supports the changes to the Higher Education Participation and Partnerships Program (HEPPP). These will give long-term certainty through a standard payment per low SES student and remove reporting that hampers creativity in best use of the funds in favour of targeted reporting of major outcomes.

12. *Improved support for regional higher education*

The creation of regional study hubs is not a good use of funding, providing a small acknowledgement of the need for better access in many regional areas but in reality doing little to improve it. More serious action is needed to improve both the take up of higher education by Australians living outside the major centres and the feasibility of university delivery in those regions.

13. *Improving the transparency of higher education admissions*

The IRU is working with the Government's Implementation Working Group to make clearer the selection processes used in assessing applicants from all backgrounds.

14. *Transparency for teaching and research expenditure b universities*

The IRU supports the need to have better information about university expenditure on the basis that all universities have access to the data set. The proposal highlights the converse development that Government funding information about higher education programs is becoming increasingly harder to find, as shown with the lack of costing provided in releasing the Higher Education Package.

15. *Review of Australian Qualifications Framework*

The Australian Qualifications Framework (AQF) should be more able to respond to and recognise the development of new qualification options. The review of the AQF should address how it supports the development of qualifications, not just adherence to current interpretations, confronting the tension between being a formal legal requirement yet necessarily a lagging descriptor.

16. *Review of Higher Education Provider Category Standards*

The review should explore the rationale for the suite of categories currently defined.

17. *Quality in higher education learning and teaching*

The IRU accept the changes proposed.