

Australian Technology Network

FIVE UNIVERSITIES: ONE VISION



Curtin University
of Technology



University of
South Australia



RMIT University



University of Technology,
Sydney



Queensland University
of Technology

The Australian – op ed piece on behalf of the ATN

The Federal government's higher education package is the most fundamental set of changes to overall university funding since the Dawkins reforms some fourteen years ago. The imperative for the changes is thus long overdue. Those who fund higher education understandably want universities to be more cost conscious. But the reluctance of successive governments of both political persuasions to index operating grants in line with real costs has led over a number of years to the point where the quality and sustainability of the system was in jeopardy.

The Nelson package will certainly ease some of this pressure, but the \$2.4 billion -which is a good outcome - amounts in total to an injection of some 5 per cent of overall expenditure for the next five years, and cost pressures will continue to rise over that time. The reforms remain administratively complex, and substantial resources will need to be diverted into new systems for managing student load, tracking student entitlements, competing for grants and responding to government demands.

The onus is now on universities to show that this extra funding will not simply disappear in support of the status quo.

Never before has education been more central to economic and social development, and universities face a huge challenge. Competition and pressure to specialise is with us, not just because of policy framed by government, but also because of global competition for students and staff from new as well as traditional providers.

The review of indexation is particularly significant, given the increasing cost pressures on a sector that has limited control over its income for one of the critical parts of its activity - undergraduate teaching.

Universities have never had an adequate indexation model applied to their funding allocations. We now will have a review of indexation and a Government response by April 2005. We expect this review to be a genuine attempt to better reflect the reality of rising university costs. Apart from anything else, meaningful indexation will protect the value of the Government's investment in higher education infrastructure. It is also consistent with the 'purchaser-provider' model implicit in the legislation: if government is to fund universities by activity, then price structures should be more closely aligned to real cost.

Increasing the HECS repayment threshold to \$35,000 is an important accompaniment to the introduction of a more flexible fee structure. The evidence suggests that a higher threshold is critical in softening the impact of HECS, particularly for women and lower SES students.

In introducing these sweeping changes, we need to consider how we continue to meet the learning needs of students whilst at the time ensuring that education is both affordable and accessible. In turn, students and the broader public will expect tangible improvements in return for their higher investment, notably in the form of better teaching and learning environments. The removal of many of the more contentious elements of the original package will certainly encourage universities to focus on this challenge.

While certain universities receive special treatment in the Nelson package, in the longer run greater competition and even partial deregulation will tend to favour those institutions which already enjoy strong demand, prestige and better funding, and some of these are large, comprehensive universities which purport to do everything well. If we want diversity but not a two (or more) tier system, then some creative approaches will be needed to demonstrate the particular appeal and strengths of different universities, and this could well change our views of higher education in the future.