

The Australian

Invest tax in 'intellectual infrastructure'

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UNIVERSITIES are calling on the Rudd government to channel revenue from the proposed resource super-profits tax - estimated to raise \$9 billion a year from 2013-14 - towards a renewal of the nation's intellectual infrastructure.

Executive director of the Australian Technology Network, Vicki Thomson, told the HES that if the resource tax was intended to promote growth across the entire economy some of the extra revenue should flow to the tertiary sector.

"We have a recent study which irrefutably lays out the impact of this sector on the economy in terms of lower health costs, increased productivity and increased living standards," she said. "We are an intrinsic part of the economic and social fabric of the Australian landscape.

"If the resource tax, should it come to pass, is about our ability to invest in Australia's future then that investment must include the nation's university sector."

Universities Australia chief executive Glenn Withers said the resource super-profits tax presented the government with an opportunity to drive investment in higher education.

"We know from a recent [Australian National University] poll in 2008 that the Australian electorate recognises the importance of extending support to higher education, and this investment provides opportunities for young Australians," he said.

"It's time to think about moving from a mining and industrial focus to also recognising that we are in the new global knowledge economy, the source of prosperity for the future. Investment in intellectual infrastructure ensures we will be able to sustain this flourishing region using Australian-grown knowledge."

The sector's call for a higher education dividend from the resource super-tax comes after former prime minister Malcolm Fraser, speaking at a Monash University graduation ceremony, castigated both political parties for the decline in public relative to private funding of higher education over the past 25 years.

Governments had "successively reduced" their share of funding for higher education and this had forced universities to find substitutes in overseas student fees, Mr Fraser said. "In 1986, Commonwealth payments accounted for 83 per cent of total higher education revenue. By 2006 that had fallen to 41 per cent."

In a related development, University of NSW chancellor David Gonski this week warned of the consequences from Australia's low levels of investment in research and development by world standards: 2.01 per cent of Australia's gross domestic product is spent on R&D compared with an Organisation for Economic Co-operation and Development average of 2.26 per cent.

Professor Gonski, chairman of the Australian Securities Exchange, said Australia's poor R&D performance reflected a fixation on short term profits at the expense of innovation, and a "she'll be right" attitude.

Calls for a renewed focus on the nation's "intellectual infrastructure" come amid growing concern within the higher education sector about Australia's capacity to maintain its international standing in an increasingly competitive global environment.

Higher education insiders expect Australian universities to begin a gradual descent in the global rankings when the Shanghai Jiao Tong index and the Times Higher Education survey are released later this year. This could have consequences for the overseas student program, post-graduate recruitment and international research collaboration.

Australian universities are expected to suffer from a change in methodology at the Times Higher, and from intense competition from China. The German and French higher education systems (see below, France Builds a World-Beating Research University for the 21st Century) are also undergoing reforms designed to lift their research performance.

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