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JOINT MINISTERIAL STATEMENT

House of Representatives

2 February 2010

Higher Education Revolution

****CHECK AGAINST DELIVERY****

Australia's universities have a critical part to play in making this country smarter, fairer and more prosperous.

Universities preserve, create and transmit knowledge. They are havens for reflection and engines of discovery. They produce new ideas and people with the skills to apply those ideas in the real world.

If we are serious about the future – if we are serious about modernising the Australian economy, strengthening Australian communities and improving the lives of Australian families – then we have to be serious about lifting the capacity and performance of Australia's universities.

Last year, the Government presented a package of higher education reforms worth more than \$5 billion over four years to unlock the potential of the nation's universities and open the doors of higher education to a new generation of Australians.

Now it is time to report on the progress we have already made. Overall, this Government will be investing \$36 billion in university teaching and learning and more than \$9.6 billion in research from 2008-09 to 2011-12, compared with \$27.9 billion for teaching and learning over the last four years of the previous Government (2004-05 to 2007-08) and around \$5.8 billion for research over the same period. Higher education spending will jump from 0.82 per cent of GDP in 2007-08 to 1 per cent in 2010-11.

This Government's reform agenda places students, and their learning, exactly where they should be – at the centre of the higher education system. It promotes and rewards excellence in teaching and research. It will expand the sector and, through new regulatory arrangements and performance funding, drive improvements in the quality of our institutions.

Our goal is to create a system that allows more students from across the community to achieve a higher education qualification and find a rewarding job in the knowledge economy – including jobs in research.

These reforms will dramatically strengthen the national innovation system, which is so vital to building productivity, renewing the economy, and meeting the challenges of the twenty-first century.

Demand

Our move towards a student-focused system is already making a difference.

In the past, caps have been placed on the number of publicly funded places. Our reforms mean that this year and next year, universities can increase their enrolments by up to 10 percent over their target allocation and receive Government support for these new places.

And in 2012 we will fund a place for every student who is accepted into a public university.

As a Government, we have recognised the compelling case for growing our higher education sector in order to meet Australia's future economic needs and to expand opportunity across the community.

Universities have already shown their willingness to respond to student demand.

Preliminary estimates show that there will be up to a 7.5 percent increase in Commonwealth-supported places across the sector in 2010 – a potential increase of 45,000 full-time equivalent students since 2008.

This means that thousands more students will achieve their dream of going to university this year. It is the first step towards realising our goal that by 2025, 40 percent of 25–34-year-olds will hold a bachelor's qualification or above.

These reforms are vital if Australia is to take full advantage of the economic recovery following the global recession and if we are to build the productive, knowledge-led economy of the future. The reforms are delivering increased enrolments and places in areas such as engineering, science, nursing and health professionals – disciplines of vital importance to Australia's future prosperity.

Achieving this won't just make Australia better educated and more productive; it will also make it fairer. Most of the growth will have to come from groups that are under-represented today. This is about including Australians who are now excluded. It is about nurturing talent that is now wasted.

The Higher Education Participation and Partnerships Program furthers these aims by offering universities a special loading for enrolling students from low socio-economic backgrounds and by resourcing them to encourage aspiration in disadvantaged school communities. The program is worth \$433 million, starting with \$56 million in 2010.

It is extremely disappointing that the Government's reforms to student income support – which are so important to our most needy students, including those from the bush – have been blocked by the Liberals and Family First in the Senate.

These reforms are critical to ensuring that all young Australians get a fair go in higher education. They have the support of every independent in the House of Representatives, all university and student peak bodies, all state and territory ministers, the Australian Greens and Senator Xenophon. Only the Opposition and Senator Fielding stand in the way.

Until the new legislation passes there will be no new scholarships for over 150,000 students; the current inadequate arrangements for Youth Allowance, Austudy and ABSTUDY will remain in place; and students in their tens of thousands will continue to miss out on much-needed support.

The Government urges the Opposition to re-consider its position and to support our legislation.

Quality

As well as helping more students get to university, the Government is acting to ensure that all students receive a high-quality education when they get there.

The Government is using a number of mechanisms to promote excellence in the higher education sector and make universities more accountable for their performance.

The first is the Tertiary Education Quality and Standards Agency – or TEQSA.

TEQSA will be established this year as an independent body with powers to regulate university and non-university higher education providers, monitor quality and set standards. It is critical that students can be assured they will receive a high quality qualification at any of our higher education providers. Responsibility for TEQSA will be shared by the Minister for Education and the Minister for Innovation, Industry, Science and Research in line with their portfolio responsibilities.

There will also be a focus on giving students clear information about courses, campus facilities, support services and – most importantly – quality of teaching and learning outcomes. Students will be able to use this information to guide their choices, and their choices will in turn drive changes in institutional behaviour.

At the same time, the Government will reward institutions that work proactively to achieve higher standards in their teaching with performance-based funding. This funding will favour universities that deliver quality student engagement and learning outcomes.

We are already working with the sector on these performance indicators and guidelines for negotiating institution-specific targets, measuring performance, and allocating funds.

University is about more than just attending class. That is why the Government is seeking to improve student engagement by allowing universities to levy an amenities and services fee of up to \$250 to fund services such as sporting clubs, childcare, legal and counselling services.

Unfortunately, the Liberals have blocked our change, despite overwhelming support from students and universities.

This means that students right around the country will continue to suffer from inadequate services and support until this legislation is passed.

Another mechanism the Government will use to measure and promote quality is Excellence in Research for Australia – or ERA.

ERA will evaluate research undertaken at Australian universities against international benchmarks. It will tell us exactly how well we are doing compared to the world's best.

Both universities and the Government will be able to use this information to guide the allocation of resources. Australia is an incredibly productive research producer, but the funds we can devote to research are and always will be finite. It is therefore essential that we play to our strengths.

ERA was trialled successfully in 2009 and comes into operation this year. It has been developed and will be administered by the Australian Research Council.

Researchers

If we are to lift the quality of Australian research – and compete in a high-tech world – it is essential that we expand our research workforce .

That is why the Government is more than doubling the number of Australian Postgraduate Awards and why we increased the APA stipend by 10 per cent in last year's Budget – restoring in a single stroke the value that had been eroded over the previous twelve years.

We have also created 100 Super Science Fellowships for young researchers and 1,000 Future Fellowships for mid-career researchers. These fellowships will encourage more gifted young Australian and international scholars to do their research in this country, where it will benefit Australia most.

The Government is also developing a Research Workforce Strategy to address Australia's research workforce needs over the decade to 2020. This strategy will ensure that we have the research skills to meet anticipated demand.

Sustainability

While we plan for the future, we are also repairing the damage of the past – including a decade of underfunding in higher education which threatened to put the sector's very sustainability at risk.

The Government has committed \$510 million over four years – and considerably more in the years beyond – to the Sustainable Research Excellence in Universities Scheme, which will provide significantly increased funding for the indirect costs of research.

In return for this funding, universities are required to increase transparency and improve reporting. All 41 eligible higher education providers have signed up to the scheme.

And, despite recent troubles impacting on our international education sector, indicative data suggests that growth in international enrolments at university is holding up. The Department of Immigration and Citizenship has reported that while student visa applications for all sectors dropped by 15 per cent from October to December 2009, higher education applications rose by 2 percent.

The overall decline in student visa applications is expected to impact mostly on the VET sector.

We are also putting our universities on a more sustainable footing by improving the indexation of block grants for teaching, learning and research. Universities will now have the funding certainty they need to make long-term investments in staff and programs.

This landmark reform was announced in the 2009-10 Budget, and implementation will be progressed this year.

Collaboration

Collaboration, both domestic and international, stretches our research dollars further, spreads risk, favours serendipity, propagates skills and builds critical mass.

To promote collaboration between researchers and end-users, the Government has developed a new Joint Research Engagement Scheme and refocused the Cooperative Research Centres Program.

Collaboration between universities will be supported by the Collaborative Research Networks Scheme, which will help Australia's less research-intensive, smaller and regional universities forge alliances with larger, more research-intensive institutions.

International collaboration is just as important. Australia, like almost all countries, is a net importer of ideas. We produce 3 per cent of the world's research papers. This is a fantastic result for a country our size, but it still means 97 per cent are produced elsewhere. Accessing research capacity beyond our borders is therefore critical to lifting our innovation capacity and performance.

That's why the Government is both internationalising mainstream research programs and providing dedicated support for international engagement. Most importantly, we are creating a more capable and more competitive university research sector – a sector that will command respect and attract collaborators worldwide.

Infrastructure

Australia's higher education system will ultimately stand or fall on the quality of the people working in it – staff and students. Yet no matter how bright and creative our people may be, they still need effective tools to work with and functional environments to work in.

That is why the Government has invested so heavily in university infrastructure over the last two years.

We began with the \$500 million Better Universities Renewal Fund to help universities rebuild their campus facilities after more than a decade of neglect.

We have followed that up with \$2.9 billion in new spending from the Education Investment Funding, including:

- \$580 million for eleven EIF Round 1 projects in university teaching, learning and research
- \$500 million for the Teaching and Learning Capital Fund – Higher Education
- \$934 million for EIF Round 2 projects in university teaching, learning and research and in VET

- \$989 million for infrastructure to support astronomy, marine and climate science, and emerging technologies through the Super Science Initiative – all of it accessible to university researchers.

A third round of the EIF and a special EIF Sustainability Round were announced in the 2009-10 Budget. These rounds are under way, with successful projects to be announced early this year. Future EIF rounds will be announced in due course.

Missions

In addition to building a stronger system overall, the Government is also encouraging each university to think about its place within that system.

From 2011, each university will negotiate a funding compact with the Government defining its unique mission and describing how it will fulfil that mission and meet the Australian Government's broader policy goals. Universities will be encouraged to focus on areas in which they have particular strengths and can make a distinctive contribution.

All universities will be required to make a contribution to the Government's equity objectives.

Interim agreements have been negotiated for 2010 as a forerunner to this game-changing reform. Interim agreements have now been signed with almost all universities, and a summary of the issues raised during negotiations will be published soon.

The Government is providing \$400 million in structural adjustment funding – including \$200 million for infrastructure – to help struggling universities make changes needed to refocus their missions, improve quality and foster better links with other providers and VET so that they can excel in the new system.

We are also developing a more logical basis for funding regional universities, starting with a Review of Regional Loading, which will report later this year.

Conclusion

Enrolments driven by student demand and informed choice, performance-based funding, mission-based compacts – all of these reforms will give universities an entirely new degree of control over their own destinies.

We respect and value the role of universities in Australian society and in our economy.

They are active partners in the reform process, and the Government would like to thank all our higher education institutions for their contribution to date.

There is still a great deal of work to be done, however, and the Government looks forward to strengthening this partnership – a partnership so important to Australia's future – as the education revolution continues in 2010.