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Media Release

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UNIVERSITY COMPACTS TO REWARD HIGH PERFORMANCE

Joint media release with the Minister for Tertiary Education, Senator the Hon Chris Evans

Australian universities will have access to up to \$550 million in additional funding under new mission-based compacts released for comment today by the Minister for Tertiary Education, Senator Chris Evans and the Minister for Innovation, Industry, Science and Research, Senator Kim Carr.

The introduction of compacts and new arrangements for performance funding are part of the Government's commitment to investing in the future of higher education and ensuring Australia's higher education system better meets Australia's future needs.

The Ministers today announced details of the new draft mission-based compacts and invited comment on the draft template from the university sector.

"Compacts are an important plank in the Government's university sector reform agenda," Senator Evans said.

"The agreements will relate the unique mission of each university to the Government's goals for the sector, and for the first time draw together information about the public funding received by each institution.

"Once signed, a compact will incorporate a university's Commonwealth Grant Scheme funding agreement. In combination with uncapping of Commonwealth Supported Places from 2012 this will dramatically streamline funding arrangements between the Government and universities."

Compacts will also be the mechanism by which new teaching and learning performance funding is delivered to universities across Australia.

"Performance funding will increase the focus on quality and accountability and give incentives for universities to improve outcomes for students."

Senator Carr said universities are integral to achieving a better educated and fairer Australia, with the compacts being an important instrument for universities to take more responsibility for their missions and priorities, including research and research training.

"Higher education and research drive economic development, productivity and highly skilled jobs," he said.

"The compact agreements will reflect the unique mission of our universities while contributing to a

coordinated response to the Australian Government's goals for higher education, research and innovation.

"These goals include raising the performance of our university sector and participation in it, the excellence and sustainability of our research effort, and collaboration within the sector and with business."

"These discussions will be informed by the results of the first round of the Excellence in Research for Australia (ERA) initiative, which will help universities identify their research strengths and establish goals for strategic investment in other areas," he said.

"The compacts will help universities lay out holistic, integrated plans for linking their research direction with their teaching and learning expertise."

Funding for teaching and learning performance funding was allocated by the Government in the 2009-10 Budget. Performance funding will have two components:

- Facilitation Funding, tied to agreement of the 2011-13 compact, including agreeing performance targets; and
- Reward Funding, to reward universities for progress against performance targets.

Universities will be eligible for \$94.2 million in annual Facilitation Funding from 2011 and \$136.6 million each year in Reward Funding from 2012. Over the three calendar years of the compacts this amounts to more than \$550 million.

Targets will be set in three key areas: participation and social inclusion, including the enrolment of more students of low socio-economic status; the quality of student experience; and the quality of learning outcomes.

Senator Evans also said the framework includes some interim indicators and plans to develop improved measures of performance over time.

"I invite the sector to work with the Government in further developing ways to measure outcomes in these key areas which are, of course, central to achievement of the missions and goals of universities themselves."

Both Ministers acknowledged that constructive feedback in relation to both compacts and performance funding had helped shape the drafts.

Consultation with universities will inform the final performance funding guidelines which will be used to agree on performance targets between universities and the Australian Government.

Submissions on the draft compact template and performance funding guidelines are invited by 26 November 2010.

The Government will negotiate compacts with universities in early 2011.

The draft compact template and further information on mission based compacts is available from www.innovation.gov.au/missionbasedcompacts.

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