

Big Picture **April 2008**

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The Hon Julia Gillard has announced a major review of the Higher Education sector with broad terms of reference. The review will examine the Australian higher education system against international best practice and assess whether it is capable of contributing to the innovation and productivity gains required for long term economic development and growth; and ensuring that there is a broad-based tertiary education system producing professionals for both national and local labour market needs.

Announcing the review, the Minister emphasised diversity, quality of the Australian university system, and social inclusion. She was careful to make no commitments about funding at this stage.

So what does all this mean?

Firstly, while we have seen a lot of reviews of higher education over the years, it is encouraging to hear the Minister valuing the higher education sector and recognising our economic and social contribution to this country.

It is also encouraging that the Minister is referring to a world-class *system* of higher education in Australia, perhaps signalling a disinclination to concentrate resources into a few universities. This may illustrate a pragmatic as well as philosophical leaning – regional universities contribute significantly to regional economies and opportunities. It would make sense to encourage and resource networks of universities collaborating on major themes, such as agricultural science or law reform.

As a system, Australian universities need to provide a case the Minister can take to Treasury that demonstrates that higher education is an investment that pays off nationally as well as individually, and is not a cost item in the Federal budget. We also need to provide ideas for a model of funding that provides an on-going solid base for university research and teaching.

Recall that even under the former government we had a 2.5 per cent annual increase above the cost adjustment factor resulting in a 7.5 per cent growth in CGS funding over three years. 2008 may be a 'gap' year in this arrangement while we await the review.

Submissions to the higher education review should come from individuals and groups around the country, including UTAS. The key is to argue that the university sector and individual universities are valuable national assets, ripe for investment and ready to deliver economic, social and cultural value to our communities.

A five year funding outlook that retains and grows a base allocation, with a smaller proportion (say 85/15 split) subject to annual fluctuation based on student enrolments would give us long-term planning horizons. Metrics, including performance information, could be used within mission-based compacts.

The Australian university sector has made major efficiency gains while also building a major export industry. We deserve recognition for these tremendous achievements with a sound financial model that provides us with funding security and growth.

Daryl Le Grew