

Big Picture
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The Federal Budget had some hopeful signs for universities but my overall assessment is that there is still a long way to go for the education revolution to move from rhetoric to reality.

The Budget included a one-off, \$500m 'Better Universities Renewal Fund' - a welcome sign that the Government recognises the \$1.5 billion backlog maintenance bill faced by the university sector cannot be ignored. The fund has an accompanying list of Government priorities for spending, so we will have to consider how best to deploy the UTAS share (\$11.5m) in terms of UTAS and Federal priorities.

The absorption of the \$6 billion Higher Education Endowment Fund (HEEF) into the \$11 billion Education Investment Fund (EIF) is good politics, but not so good for universities. The HEEF process had \$300m ready to distribute in 2008-2009, now that is delayed. And while HEEF was available to universities, EIF is open to bids from the VET sector, research facilities and major research institutions as well as universities. There is more money available (EIF allows use of capital as well as interest, whereas HEEF could allocate earnings only) but it will be spread across a much larger number of institutions and organisations.

It was pleasing to see extra support for higher education students, especially for undergraduate scholarships, but extremely disappointing that no provision has been made to support student organisations and activities suffering in the era of voluntary student unionism. It was also encouraging to see an increase the number of postgraduate scholarships, although low stipends are still an issue. The new Future Fellowships for mid-career academic staff are important, given the need to nurture the next generation of academics before the wave of baby-boom retirements.

Most importantly, however, there was no provision in this budget for real increases in government operating grants to the university sector. The Government is apparently waiting until after the Bradley Review to make any decisions on this – that means real increases will not be available until 2010 at the earliest.

So what does this mean for UTAS?

It will be a challenging couple of years, with Commonwealth operating allocations holding steady whilst costs increase. The Planning and Resources Committee has been considering the impact of lower than forecast enrolment figures this year, which translate into a lower level of income available for allocation. Recommendations for adjustments have been considered after consultation with individual and groups of budget holders and apply across Faculties and Divisions.

At the same time, a parallel process of engaging with Faculties on strategic investment to build enrolment levels and support EDGE2 has been under way. This balance of efficiency and investment is essential. We need to match our expenditure to income, whilst also investing in the future and recognising the EDGE priorities as essential to our future as a high quality university.

Daryl Le Grew