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IRU STATEMENT 20/2017

Freezing university education undermines future workforce

The Government's planned freeze on university funding is a simple act of revenge that ignores the cogent reasons the Senate has not passed its last higher education package. Revenge is a dish best not eaten.

Since 2012 the demand driven system has reshaped who goes to university and from where. More people now get the post school education they need to prosper in the digital economy of the coming decade. Many more people from areas where previously going to university was rare.

The Government now plans to halt that progress. Higher education is more available but it remains badly distributed. A funding freeze, and then limited increases according to national population growth, will embed that mal-distribution for a further generation - if allowed to go ahead.

Under this plan demand driven funding is not yet dead but it's teetering on the brink. The *Higher Education Support Act* permits a freeze but that power was intended to be used to address unintended consequences in specific institutions, not as a blanket across the entire sector.

The Senate must continue to sustain access to universities by ensuring demand driven funding remains the bed rock of the Act, allowing a future Government to see sense and embrace universities as essential to building the capabilities required in the Australian workforce of the future.

IRU members will now have to work with \$45 million less in 2018 and \$60 million in 2019, with 2018 only two weeks away. Universities have already made offers for 2018 with the rest to be issued in coming weeks. We remain committed to creating opportunities for students from all backgrounds but this freeze is intended to cut off access for many students with the potential to succeed.

It is positive that the Higher Education Participation and Partnerships Program will continue but without the significant improvement the Government previously supported.

It is positive that research funding programs will continue, but with significant issues about research infrastructure and tax incentives to business to support research remaining unsettled.

There is sense to controlling the total amount anyone can use HELP but the proposed maximum is too low. It is the same as the current limit for students paying full fees. The limit should cover all sensible combinations of bachelor, vocational and postgraduate education. If not it will undermine the capacity to return to education to upskill as the knowledge economy continues to transform the future of work.

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For comment contact

IRU Executive Director, Conor King M: 0434 601 691

