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Major Developments in 2003

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Higher Education Review

In 2002 the Minister for Education, Science and Training, Dr Brendan Nelson, conducted a review of the higher education sector to determine what changes were needed to ensure that Australia continues to have a university system that meets the needs of students and the community.

In that process, the Minister consulted widely with universities, student groups, unions and other stakeholders. The consultations produced a broad consensus that the current arrangements for funding universities were not sustainable and would, in the longer term, lead to an erosion of the excellent reputation of our universities.

In the 2003–04 Budget, the Government announced the *Our Universities: Backing Australia's Future* package of higher education reforms. The legislative framework for these reforms was introduced into Parliament on 17 September 2003 and passed by Parliament on 5 December 2003.

The reforms will be implemented over the next few years to allow the higher education sector to develop in a way that is sustainable, promotes diversity, supports high quality outcomes and is equitable in terms of opportunity.

The reforms give universities access to the funding they need to deliver world-class higher education, with a focus on quality learning outcomes. Laying the foundation for this is an increase in public investment in the sector of around \$2.6 billion over the next five years. Over the next ten years, the Australian Government will provide some \$11 billion in new support for higher education.

Specific initiatives in the package as passed by the Parliament include the following.

- More than 34 000 new Australian Government supported places. These are made up of 9100 new Australian Government supported places commencing in 2005, growing to 24 883 by 2008, 6700 new Australian Government supported places by 2008 to meet anticipated population growth, 574 new nursing places, 1170 new medical places and 745 new National Priority places.
- \$838 million over five years for a new Commonwealth Grants Scheme that will increase the Australian Government contribution per student place by 2.5 per cent from 2005, building to a 7.5 per cent increase by 2007, conditional on institutions providing staff with genuine choice of industrial agreements and adherence to the National Governance Protocols which are designed to encourage efficiency, productivity and accountability in the sector.
- Providing greater support for regional campuses with an additional \$146 million over five years through a regional loading.
- Raising the repayment threshold under HECS-HELP from \$24 365 in 2002–03 to \$35 000 in 2004–05 (\$36 184 in 2005–06) which will significantly improve the financial position of many graduates with lower incomes.
- \$327 million for nearly 40 000 new scholarships to students over the next five years through two new scholarship programmes to assist students with education and accommodation costs.

- \$49 million in additional funds over five years to support a range of equity initiatives, including funding for Indigenous students, students with disabilities and those from disadvantaged backgrounds.
- From 2005, universities will be able to set student fees within a range from \$0 to a maximum 25 per cent above the current HECS rates.
- Increasing the maximum number of Australian fee-paying students (with the exception of medicine) from 25 to 35 per cent of a total course cohort from 2005.
- A new programme to enable all full fee paying students undertaking an award programme at an eligible institution to borrow the amount of their tuition fees from the Australian Government. New loans will also be available to assist students to study abroad for up to two semesters as part of their undergraduate award programme. Students will incur a 20 per cent loan fee at the time they borrow under both of these programmes. These loans will be subject to the same repayment arrangements as under the HECS-HELP programme.
- Providing Student Learning Entitlements to cover the duration of an Australian Government-supported student's course for up to seven years with additional entitlements available for courses that are longer than six years in duration or in special circumstances (for example, illness).
- \$51 million to eligible institutions over five years in funding to support the provision of enabling programmes for people with particular types of disadvantages to undertake award courses in higher education.
- A new Indigenous Higher Education Advisory Council to advise the Minister and DEST on Indigenous issues in higher education and five national scholarships to Indigenous staff who have actively encouraged Indigenous students to participate in higher education.
- Providing places for the National Priority areas of nursing and teaching and special fee arrangements to encourage people to enrol in these fields. \$213 million over five years will be allocated to support the National Priorities initiatives.
- A new Learning and Teaching Performance Fund will be introduced from 2006 to reward institutions that best demonstrate excellence in learning and teaching. A total of \$251 million will be allocated under the fund between 2006 and 2008.
- A new National Institute for Learning and Teaching in Higher Education will be established in 2004 with ongoing annual funding of \$22 million from 2006 and a new range of awards to enhance the Australian Awards for University Teaching (AAUT) with an additional \$8 million being provided between 2006 and 2008.
- A total of \$83 million will be allocated between 2006 and 2008 under the new Workplace Productivity Programme to encourage institutions to pursue a broader workplace reform agenda which more effectively utilises the flexibilities available under the *Workplace Relations Act 1996*.
- Additional funding of \$3.5 million over five years on quality initiatives including additional funding to enhance the operations of the Australian Universities Quality Agency in relation to offshore audits and provide for the Australian Council for Educational Research (ACER) to promote the Graduate Skills Assessment.
- A new Collaboration and Structural Reform Fund will be established for three years from 2005 to encourage innovation and collaboration within the sector. The Fund will comprise current funding under the Higher Education Innovation Programme of almost \$17 million and additional funding of \$20 million over three years from 2005.

- Approximately \$40 million over three years in transitional funding to ensure that no institution is disadvantaged under the new funding arrangements.
- \$17.2 million over four years to provide additional support for the Australian Maritime College in Tasmania and the Batchelor Institute of Indigenous Tertiary Education in the Northern Territory as national institutes.
- \$12 million between 2004 and 2006 to further develop the University of Tasmania Medical School.
- Approximately \$250 000 in 2004 for each higher education institution as a contribution to the costs of implementing a new Higher Education Information Management System (HEIMS) and new student financing initiatives.

This is a fundamental change to the way higher education policy is administered in this country. It will open up more opportunities, strengthen our universities and provide students with greater choice.

The Minister will undertake by February 2005 a review of the cost adjustment factor indexation mechanism for the Australian Government funding of universities from 2007–08. There will also be a review of the impact of the higher education reforms on the sector in 2006.

More information about the reforms can be obtained from the DEST website at www.backingaustraliasfuture.gov.au.

Also as part of the Our Universities: Backing Australia's Future initiative three reviews were undertaken.

- **Evaluation of Knowledge and Innovation** – The Minister released a paper in July 2003 canvassing issues to be addressed in the evaluation of the 1999 Knowledge and Innovation policy statement. The purpose of the evaluation was to ensure that the policy and funding framework

for Australia's research and research training sector is both effective and efficiently managed. The evaluation was overseen by an External Reference Group (ERG) chaired by Professor Chris Fell. A Consultation Report prepared by the ERG was delivered to the Minister in November 2003. More information about the evaluation can be obtained from the DEST website at www.dest.gov.au/highered/ki_reforms.

- **Research Infrastructure Review** – The Minister asked the National Research Infrastructure Taskforce chaired by Dr Michael Sargent to develop a nationally integrated, forward looking, strategic framework for significant research infrastructure in publicly funded universities and research agencies. The Taskforce delivered its National Research Infrastructure Strategic Framework to the Minister in early November 2003. The Framework will inform the Government's future investment in significant research infrastructure. More information about the Taskforce's work and its invitation for submissions and discussion paper are available from the DEST website at www.dest.gov.au/highered/ri_taskforce.
- **Research Collaboration Review** – The Review of Closer Collaboration between the Universities and Major Publicly-Funded Research Agencies (PFRA) examined the scope for greater collaboration between Australia's publicly funded research agencies and universities. A discussion paper was released in July 2003. The steering committee, chaired by Mr Donald McGauchie and comprising business leaders, research organisation representatives and a university Vice-Chancellor, delivered the final report to the Minister in early December 2003. More information about the review can be obtained from the DEST website at www.dest.gov.au/Collaboration.

Review of Bulk Funding for Tutorial Assistance

The review of the Aboriginal Tutorial Assistance (ATAS) bulk-funding arrangements for higher education institutions was completed in September 2003. This is the first time the bulk-funding arrangements have been reviewed since their introduction in 1995. The purpose of the review was to improve the administration and performance reporting system.

The report of the review confirmed the appropriateness of ATAS bulk-funding arrangements to universities and that the Indigenous students who receive supplementary tutoring get better end-of-semester results compared to the results of all Indigenous students.

The report of the review made 13 recommendations to improve the performance framework which institutions use to acquit their funding and to revise the funding allocation mechanism. Institutions will be consulted on the implementation of the recommendations of the review, commencing in 2004. Implementation of the recommendations will occur from 2005.

Australian Rural Veterinary Services Report

On 4 February 2003 a Review of Australia's Rural Veterinary Services was received by the Minister for Agriculture, Fisheries and Forestry, Mr Warren Truss, and the Minister for Education, Science and Training, Dr Brendan Nelson.

The review was conducted by Mr Peter Frawley, Chairman of Livecorp and the Co-operative Research Centre for Cattle and Beef Quality. The Review was jointly funded by the Federal Government and the livestock industries to examine the role, availability and capability of rural veterinarians to meet Australia's future animal health needs. Secretariat services were provided by the Department of Agriculture, Fisheries and Forestry Australia and DEST.

The report found that rural veterinarians are currently meeting the needs of producers, though lifestyle issues and general low returns affect the long term retention of practitioners. Mr Frawley's recommendations included the establishment of a veterinarian reserve to be drawn on in case of a major disease outbreak.

The Government is currently developing a response to the report. The report is available at www.affa.gov.au/ruralvets.

International Education Initiatives

The Australian Government announced at budget time initiatives worth \$113 million to support and expand Australia's international education industry. The Government's package, to be introduced over the next four years, will benefit Australia's higher education sector and will involve:

- developing export opportunities through increased promotion and government to government work in new overseas countries;
- establishing five international Centres of Excellence in Asia Pacific Studies and Diplomacy; Mathematics Education; Sports Science and Administration; Water Resources Management; and additional funding to support the international activities of the Cooperative Research Centre on Sustainable Tourism;
- offering scholarships and fellowships through the Endeavour Programme;
- establishing a new National Language Centre; and
- exploring and developing with industry a regulatory framework to enhance quality assurance for international students studying offshore.

These international education initiatives are explored further in Section 2.1. More information can also be obtained from the DEST website at www.aei.dest.gov.au/budget/default.htm.

Australian Institute of Marine Science and James Cook University Joint Venture (AIMS@JCU)

The Australian Institute of Marine Science (AIMS) was provided with \$5 million in the 2003–04 Federal Budget to help implement a new venture in collaboration with James Cook University (JCU). This formal affiliation is referred to as AIMS@JCU.

A steering committee was established in June 2003 to promote a close and effective affiliation that lays the foundation for AIMS and JCU to collaborate more effectively and contribute further to making Townsville one of the world's acclaimed centres for research and teaching in marine science. The steering committee has met several times to support negotiation by AIMS and JCU, assisted by DEST, of a joint venture agreement for AIMS@JCU.

A 'heads of understanding' agreement was concluded by AIMS and JCU on 5 December 2003. It is envisaged that the joint venture will be launched in March 2004. Three research programmes will form the core activities to be undertaken on establishment of the joint venture – aquaculture, coastal processes and marine modelling, and marine biotechnology. Other programmes may be added during 2004.

AIMS and JCU have identified a state of the art fibre optic communication link and extra research student places as priorities to be funded from the funds provided to help implement the affiliation. The link is expected to be completed in the first half of 2004.