

Submission from the Australian Vice-Chancellors' Committee

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into higher education funding and regulatory legislation

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Australian Vice-Chancellors' Committee

the council of Australia's university presidents

(A.C.N. 008 502 930 – A.B.N. 53 008 502 930)

Ref

22 August 2003

Mr John Carter
Secretary
Senate Employment, Workplace Relations
and Education References Committee
Suite SG.52, Parliament House
CANBERRA, ACT 2600

Dear Mr Carter

Thank you for your letter of 1 July 2003 inviting the Australian Vice-Chancellor's Committee (AVCC) to make a submission to the Senate Inquiry into higher education funding and regulatory legislation.

The AVCC welcomes the opportunity to indicate our support for the Government's higher education reform package announced in *Our Universities: Backing Australia's Future*. It sets the foundations for reform of university financing arrangements to allow universities greater flexibility to pursue their missions. The package is the first serious attempt in more than a decade to enhance the quality of public higher education in Australia. The focus on sustainability, quality, equity, and diversity reflects the emphasis of the AVCC in our submission to the higher education review, *Forward from the Crossroads*.

The Government's reform package is strong in providing the base for the future development of Australia's university sector from 2005. The major strengths of the package are that it:

- makes progress towards the AVCC's vision for 2020;
- invests in higher education;
- supports access;
- supports diversity and quality;
- supports Indigenous education; and
- provides a new and sustainable financing model.

The AVCC has, however, identified a number of key concerns within the package. The AVCC would like to see these issues addressed to strengthen the package while retaining its intent and financial commitment.

These concerns are:

- the absence of an effective indexation mechanism which undermines the value of the Government's investment;
- tying investment in higher education to changes in governance and workplace relations;
- there is insufficient support for equity;
- the potential for intrusive micro management of internal university processes; and
- lack of support for internationalisation.

The AVCC wishes to work through these issues with the Government, and with other parties and stakeholders, including the Senate Committee, to ensure that necessary legislative reforms, embodying the package with proposed improvements, are enacted in 2003. Given the magnitude of the changes proposed by the Government, universities need to know, by the end of 2003 at the latest, what arrangements will be in place in the following year to allow time to adjust and position themselves to take maximum advantage of the reforms.

The AVCC has developed comprehensive policies on higher education funding in a series of policy statements released during the course of the review of higher education and this submission relies primarily on those statements to inform the inquiry of our views. These statements address all but terms of reference 3 of the inquiry.

The following AVCC policy statements are attached, cross-referenced to the appropriate terms of reference for the inquiry:

Attachment A: *Excellence and Equity: Foundations for the Future of Australia's Universities* (terms of reference 1, 2 and 4). This is the AVCC's response to *Our Universities: Backing Australia's Future* and sets out the AVCC's support for the overall direction of the higher education reforms and the major areas where changes are needed to improve the package.

Attachment B: AVCC submission to the Government review of welfare reform (terms of reference 2, first dot point);

Attachment C: *Forward from the Crossroads: Pathways to Effective and Diverse Australian Universities* sets out the AVCC's preferred funding package (terms of reference 5).

In relation to the remaining terms of reference (three), the focus of *Our Universities: Backing Australia's Future* is on learning and teaching and hence research is only lightly touched on. The Government has indicated that research issues will be dealt with as part of the next stage of Backing Australia's Ability and funding announced in the 2004 budget. The AVCC is developing its position for the next stages in research funding and support. This, however, should not distract debate away from the need for the learning and teaching changes to be implemented as soon as practicable.

On a related issue, the AVCC has written to the Minister to argue for the retention of the Educational Textbook Subsidy Scheme beyond its proposed termination date of 30 June 2004

(Attachment D). The AVCC would like to see the subsidy retained to avoid the substantial cost increase for educational textbooks that would follow any removal of the subsidy. This would affect students in the school, Technical and Further Education and higher education sectors and is directly related to the financial impact on students (terms of reference 2, first dot point).

In relation to terms of reference 5, the AVCC also notes the recent release of the ALP policies on higher education contained in *Aim Higher: Learning, training and better jobs for more Australians*. The AVCC is undertaking a thorough evaluation of the Labor policy and will be preparing a formal response.

Legislation

The AVCC will provide the Senate Committee with an analysis of the Government's legislation once it is released. This would take the AVCC concerns and identify where in the legislation amendments are required to address issues we have identified.

It has been argued that Australia's universities are at a crossroads in their development. It is now time for Australia's higher education system to move forward to ensure the long-term beneficial outcomes.

The AVCC would be pleased to take part in the public hearings being conducted by the Committee as part of the inquiry process.

Yours sincerely



John Mullarvey
Chief Executive Officer