



INVESTING IN THE FUTURE FAIR, HIGH QUALITY EDUCATION

The Greens' plan for a well-funded and accessible university sector

Australia's universities are under increasing pressure from decades of underfunding by both Labor and the Coalition. Student debt has risen and class sizes have blown out. University staff and courses have faced cuts. A society that cares for its future invests in education, rather than imposing budget cuts on universities.

Australia's reputation as a hub of quality higher education, for teaching, learning and research, is at stake. We need a visionary approach to the university sector that emphasises the importance of education in society and for a globally competitive economy.

Over the past two decades, funding for Australian universities has decreased in real terms. Our universities need increased funding to protect the quality of Australia's higher education system – to stop the course and staff cuts, to aim for lower student-to-staff ratios, and to boost our research capacity.

To deliver a world-class higher education system, the Australian Greens will:

- **Increase by 10 per cent the per student base funding for universities as recommended by the Bradley Review into Higher Education; and**
- **Reverse Labor's \$2.3 billion higher education budget cuts.**

> 10 PER CENT INCREASE TO BASE FUNDING PER STUDENT

The Greens' proposed 10 per cent increase in funding would be phased in from 2014 to 2017, applied at a rate of 2.5 per cent per calendar year from 1 January 2014.

The Parliamentary Budget Office has costed the proposal at a total additional cost of \$1.474 billion over the forward estimates.¹

The funding increase applies to the base funding prior to the higher education budget cuts announced in the 2013-14 budget.

> CHRONIC UNDERFUNDING – THE ELEPHANT IN THE ROOM

The government cannot afford to continue to underfund universities. Without more funds, any policy changes the government contemplates will not address the fundamental problems which have been caused by chronic underfunding.

The government's Bradley Review proposed a 10 per cent increase as a way to ensure standards would be maintained. That was back in 2008. It identified a real risk that if funding levels weren't increased then universities, students and staff would suffer a decline in quality.

Unfortunately that fear has become a reality with school and faculty closures occurring at universities across Australia, courses have been slashed, hundreds of academic and general staff have lost their jobs and student-to-staff ratios have soared.

As a nation we must do better. We should be aiming high and following the lead of other developed countries.

A good first step is to increase base funding per student by 10 per cent to reverse the downward trend and protect the future quality of higher education.

> WHY WE NEED AN IMMEDIATE BASE FUNDING INCREASE

The government has commissioned two major reports into university funding, the Bradley Review of Higher Education (2008) and the Lomax-Smith Review of Base Funding (2011). Both reports showed that our universities are chronically underfunded, and recommended an immediate increase to per



student base funding in order to maintain existing standards of teaching and learning.

This is in line with calls from sector groups such as Universities Australia, the National Tertiary Education Union (NTEU) and the National Union of Students (NUS).

The Bradley Review specifically proposed a 10 per cent increase to maintain standards at their current level. It found that Australia was the only OECD country where the public contribution to higher education remained at the same level in 2005 as it had been in 1995.ⁱⁱ

The modest \$1.474 billion boost to university base funding that the Greens propose over the next four years would place Australia in the average of OECD countries when it comes to public spending on higher education.

It's what unions, universities and student groups have called for to protect our reputation as a country with a high quality education sector.

> INTERNATIONAL COMPARISON

It is economically responsible to invest in our universities. Universities Australia in its 2013-14 Pre-Budget submission reported that Australian investment in universities lags behind most other advanced economies:

“The OECD countries on average grew their real public investments in tertiary education by 62 per cent over the 1995 to 2009 period. By contrast, Australia only grew its investment in tertiary education by 17 per cent.

These figures translate to an average real growth rate of 3.3 per cent pa across OECD countries, compared to a growth rate in Australia of only 1.1 per cent pa. So other countries have grown their public investment in university education by over 200 per cent more than Australia from 1995 to 2009.”ⁱⁱⁱ

Further, according to Universities Australia, following the recent budget cuts there will have been by 2015 a 2 per cent decline in base funding in real terms since 1995.^{iv} They estimate this will put base funding 15 per cent below the levels recommended by the government's own Bradley Review.

The OECD average for public investment in universities is 1.1 per cent of GDP. For Australia, this equals \$28.3 billion. We would need to invest an additional \$10.3 billion per year to reach the OECD average.

A \$1.474 billion investment over four years to increase base funding, coupled with reversing the \$2.3 billion budget cuts, measures up as modest and necessary spending to boost university funding.

> OTHER PARTIES

Labor has demonstrated its lack of commitment to the role of universities in our economic future by cutting \$2.3 billion from the sector in the 2013-14 budget and by failing to invest the additional funding necessary according to the advice from their own expert reports.

Tony Abbott and the Coalition cannot be trusted to invest in higher education and in particular to ensure universities are accessible to students from all socio-economic backgrounds.

In 1990 the Government contributed 68.4% of university funding. By 1999 that had fallen to 49.1%.^v This drop in public funding coincided with an increase in HECS contributions. The sector also relied heavily on revenue from overseas students, which has fallen in recent years

Considering the growth experienced in the university sector, universities are not much better off than they were in 1996 when John Howard came to office. Neither major party has maintained adequate levels of funding to sustain quality in the higher education system.^{vi}

ⁱ PBO costing for The Greens: Increasing funding to universities, 7 June 2013.

ⁱⁱ Bradley Review of Higher Education, page XV, 147.

ⁱⁱⁱ <http://www.universitiesaustralia.edu.au/resources/4/1523>

^{iv} <http://www.theaustralian.com.au/higher-education/universities-australia-tests-craig-emersons-figures-on-funding/story-e6frgcix-1226632522957>

^v Laming, “Seven Key Turning Points in Australian Higher Education Policy 1943 – 1999, Post-Script Volume 2,2, <http://www.voced.edu.au/content/ngv43949>

^{vi} “University Funding 1996-2010” Group of Eight, May 2012 <http://www.go8.edu.au>