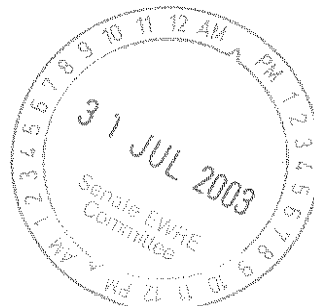


OFFICE OF THE SECRETARY



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



Dear Mr Carter

Thank you for your invitation to make a submission to the inquiry into higher education funding and regulatory legislation.

In 2002 the Government embarked on a major review of Australian higher education. On 26 April 2002, the Minister for Education, Science and Training launched the Review with the release of the ministerial discussion paper, *Higher Education at the Crossroads: An overview paper*. The paper canvassed a broad range of future directions for the higher education sector.

A reference group of eminent Australians representing business, industry, students, Indigenous people and the vocational education and training and higher education sectors guided the Review process. A Higher Education Review Secretariat was established to develop a number of issues papers and to conduct the public consultation process. The secretariat comprised a small number of policy analysts from the Department of Education, Science and Training; the Department of Employment and Workplace Relations; and the Department of Prime Minister and Cabinet. There were additional secondments from the Business Council of Australia to assist liaison with the business sector, and from Education Queensland, to facilitate input from the States and Territories. Mr Bob Goddard from the Australian Vice-Chancellors' Committee was appointed to lead the secretariat through the publication of issues papers and the public consultation process.

Public submissions were invited and over 730 were received. These submissions formed the basis of six issues papers, which provided in-depth discussion and analysis of the key issues raised by submissions. The issues papers were:

1. *Striving for Quality: learning, teaching and scholarship* (released 21 June);
2. *Setting Firm Foundations: financing Australian higher education* (released 25 June);
3. *Varieties of Excellence: diversity, specialisation and regional engagement* (released 31 June);
4. *Achieving Equitable and Appropriate Outcomes: Indigenous Australians in higher education* (released 5 August);
5. *Meeting the Challenges: the governance and management of universities* (released 13 August); and
6. *Varieties of Learning: the interface between higher education and vocational education and training* (released 19 August).

Forty-nine forums were held around the country with around 800 invited participants providing input. Forums were held on the following topics:

- Financing;
- Specialisation and diversification;
- Governance, management efficiency and reporting;
- Teaching quality and learning outcomes;
- Interface between higher education and vocational education and training;
- Workplace relations;
- Regional issues;
- Commercialisation of research; and
- Indigenous issues.

A final two-day forum was chaired by the Minister at Parliament House on October 3 and 4, which gave key stakeholders from a range of community, business and education organisations the opportunity to provide perspectives to frame the seven months of debate and discussion.

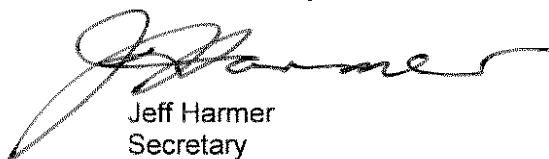
The Government's response to the Higher Education Review, *Our Universities: Backing Australia's Future*, was announced on 13 May 2003 as part of the 2003/2004 Budget. The package of reforms includes increased Commonwealth investment of \$1.5 billion in additional funding to the higher education sector over four years linked to progressively introduced reforms. These reforms are aimed at establishing a transparent and consistent policy framework in which universities will be able to pursue their own strategic mission, capitalise on their strengths and further engage regional communities. The Government believes that students will have increased opportunities and greater choice through more equitable financing arrangements and a renewed emphasis on teaching and learning outcomes.

The package is underpinned by four key principles: sustainability, quality, equity and diversity. It covers a diverse range of initiatives including:

- an increase in base funding for institutions with partial deregulation of the sector
- increased support for students through scholarships for disadvantaged students and subsidised loans for full fee courses and overseas study
- additional support for regional institutions and campuses
- creating diversity through performance-based funding
- additional student places
- competitive funding to foster innovation and collaboration between universities and other organisations
- a renewed focus on equity, particularly for Indigenous students
- National Priority areas – Teaching and Nursing
- evaluation and streamlining of research and research training
- reform of university governance arrangements
- a new information management system

I am enclosing copies of the ministerial discussion paper, *Higher Education at the Crossroads: An overview paper*, the discussion papers and the policy statement, *Our Universities: Backing Australia's Future*, for the Senate Committee's information.

Yours sincerely



Jeff Harmer
Secretary

28 July 2003