



Speech by

Hon. D. WELLS

MEMBER FOR MURRUMBA

Hansard 27 May 1999

MINISTERIAL STATEMENT

University Funding

Hon. D. M. WELLS (Murrumba—ALP) (Minister for Education) (9.56 a.m.), by leave: Historically, Commonwealth funding for higher education has failed to keep pace with the high rate of population growth in Queensland, with the outcome that between 1974, when the Commonwealth first took over responsibility for university funding, and 1995 the level of opportunities for young Queenslanders to participate in higher education lagged behind that afforded to their cohort in other States. This imbalance was corrected in 1995, when the Goss Government was successful in attracting a special adjustment package of higher education funding from the Commonwealth, which provided an additional 4,700 commencing higher education places in Queensland over the period 1995 to 1998.

In 1999 I am pleased to be able to report to the Parliament that the level of opportunity for higher education participation in Queensland is consistent with our share of the national youth cohort. While the number of opportunities in higher education in 1999 is not the pressing issue which it has long been, the level of funding per student continues to be a matter of concern. In 1991 the Commonwealth Government undertook a comprehensive study of the relative funding positions of all Australian universities, which showed that five out of Queensland's six institutions were underfunded, with three being significantly below the national mean.

On the basis of that study, the Commonwealth entered into a program of funding adjustments for institutions based on a formula which recognised the different costs of teaching in different disciplines and at different course levels. This adjustment program aimed to bring institutions to within plus or minus 3% of the mean, and included both cash grants and the opportunity for institutions to improve their funding position by reducing their student load. For Queensland institutions this latter option was never really available, because of the historical shortfall of places and high student demand, with the result that institutions such as the University of Southern Queensland, which was found to be one of the most underfunded institutions in the country, gained only a limited benefit from the adjustment program.

By 1995, while base funding for institutions took account of discipline mix and course levels, the Commonwealth had adopted a practice of funding growth at an average rate, regardless of the discipline into which the growth was directed. Queensland's universities have grown overall by 25% since that time—a higher rate of growth than that achieved by any other State—with the overall result that Queensland universities have a higher proportion of their total students funded at average funding rates. This level of funding affects the level of services institutions can provide and limits their capacity to develop teaching programs in higher cost areas, such as science, engineering and technology, which are so important to economic growth and development.

It is estimated that the cost of relative funding disadvantage accruing to Queensland institutions as a result of this funding approach is in the region of \$70m. The University of Southern Queensland alone identifies its shortfall in relative funding terms as being around \$10m. On top of these inequities, the Commonwealth Government has imposed real cuts to university operating grants from the 1996 Budget, amounting to 1% in 1997, 3% in 1998, 1% in 1999 and a further 1% in 2000 on a cumulative basis. Taken together with the Commonwealth's decision not to supplement much needed salary increases, universities have sustained a cut in Commonwealth funding under the coalition of around

17% of their total operating funds. Now there is the threat of what will equate to an additional 3% cut through the compulsion—the odious compulsion—of voluntary student unionism.

I will be writing to the Commonwealth Minister for Education, Training and Youth Affairs to seek a review of the relative funding position of Queensland's institutions.
