

2015 Unimutual Conference - 10 September 2015

Federation Ballroom, Hyatt Hotel Canberra

Vicki Thomson

Thank you for inviting me to speak to you this morning.

When I received your invite I must admit that – just for a moment - I wondered why you would want to know more about us..... even if we are your clients.

I say that because before I joined the higher education sector I had always thought it was rather, shall we say, dull... and there is nothing worse than a dull speech.

However, how wrong I was.

I have now been with the sector for more than 11 years – and trust me it has never been dull.

It has never ever been quiet, and it has never ever been boring.

Some weeks, probably like yourselves, I pray for that little bit of boring just to get some time..... it never happens.

If anything, to paraphrase what a senior Government staffer said to me recently:

‘the machinations of higher education and its current funding debate are such that it would make a riveting TV series’.

I’m not sure if he was meaning Utopia, The Thick of It, Hollowmen, or a Sarah Ferguson special I will leave that for others to decide!

What I can tell you is that I am delighted to have the opportunity to spell out exactly what the title of this speech states: “Higher Education at a Crossroads”.

And I can promise you that it won’t be dull!

When I am finished, I hope you will all agree that “Higher Education at a Crossroads” is a description which is rather a euphemistic way of stating the sector’s current difficult situation.

I hope that I can leave you also with a solid understanding of what is happening to the sector....



.....and in particular to the Group of Eight Universities, where I have been Chief Executive for the past nine months.

I also hope I can leave you with an understanding of the very real issues that situation could create for every single one of you, and your families.

So first, let me start with that very point:

I have been finding it a lightbulb moment for many people, too many people to be frank, when I state that you don't have to attend a University to benefit from a University education every single day of your lives.

What Universities do for you is absolutely embedded in your daily lives, so embedded that unfortunately too few in the community think about it –

- from the architects and engineers who made this very building possible, to the nurses, midwives, doctors and dentists, vets, pharmacists; school teachers, lawyers and accountants; the people who designed our cars and roads and bridges, the IT specialists who ensure you can hear me speak.

I could keep listing the reasons why, and how, every single person benefits from a University education every single day, but I am sure those professions I have just mentioned, do set the scene for you, without me labouring the point further.

So my core message to you is that Universities are **not** ivory towers. They do **not** stand apart from your lives. They are embedded in your lives and they are your future. There would be no future without them.

What we deliver for society is essential, it is not the luxury option.

There is no choice in the matter.

If anyone has an alternative view – which I am sure this audience doesn't – they can just pause to consider life without what we provide, or with substandard professional training.

Think for a moment how you would feel if you had any question at all about the quality of the training of the paramedic you may one day need to save your life?

So you do need those professions. And you do need them to have had a quality education.

That is why the Group of Eight has been working so hard to maintain its quality standards by fighting for long-term sustainable funding.

Trust me this is as much about you as it is about us.

Actually it's more about you than it is about us.

Let's deal with what is actually happening:



As you will see on the screen behind me, the facts that set out what the Group of Eight delivers, not just for Australia but for the world, are highly impressive.

We are exceptionally proud of that, and we guard that reputation jealously and zealously.

As I have said, to everyone who will listen to me, those facts must remain highly impressive, but, we have a problem....

..... as those of you who have been following the news since Budget night of 2014 will know.

The Higher Education funding deregulation legislation first proposed that Budget night is dead in the Senate water.

Meanwhile -

We simply don't have access to the long-term sustainable funding that we must have to continue to produce the quality students and the quality research we currently do.

And here I am going to make a completely bipartisan statement.

This is not an anti-Government speech.

That's of course very easy to say because my member Universities are dealing with **two** major parties who have **BOTH** seen fit to cut higher education funding...

Since 2012 almost \$1 billion has been removed by both major parties from research funding programs.

A further \$262 million over three years was removed from the Sustainable Research Excellence fund in this year's Federal Budget.

The major parties are peas in a pod when it comes to funding Universities..... they just go about it in different ways.

So, how are they able to do this when, as I have described, Universities are so essential to everyone in the community?

To some extent we have ourselves to blame.

Universities have not been good at spelling out how essential they are to every Australian or even how much they deliver into the economy, which is a lot.

I'm not sure why this has occurred. Maybe we felt we should stay above the fray and concentrate on delivering.

Admirable but it hasn't worked.



Our conservative lobbying, or reticence to be seen publicly to get down and dirty in the pit of politics has worked against us over many years.

It has culminated in this.

We have become too easy a target for funding cuts.

At the Go8, and actively within each of our member Universities, we are now trying very hard to redress that.

We must do so, because it is the Go8 Universities which are the most damaged by the current funding issue.

On the face of it that sounds like a ludicrous statement for me to make.

After all we are the oldest, therefore the most established. We are the elite group of Universities and most of us with rather wonderful historical campuses.

We are the group of Universities which prides itself on commitment to excellence.

As we always say, we welcome quality students and we deliver quality graduates who are the leaders of tomorrow.

And in fact 79% of the CEOs in Australia's top companies who were educated in Australia do come from a Go8 University.

Our international alumni are leaders in industry and politics around the world.

That's impressive.

But it all camouflages a harsh reality.

Would it surprise you to know, for example, that some undergraduate courses are so underfunded by Government that the University of Sydney loses \$40,000 for each medical student?

Plus the Group of Eight is home to Australia's leading research Universities, and research in Australia is significantly underfunded by Government.

This means that the more research you do, the more part-funded research grants you win, the more money you have to find from somewhere else to pay for it.

Hold that critical thought for a few moments while I set the research scene for you.

A fact that is not understood is that Australian Universities must carry out research to be classed as Universities.

There is a legislative requirement to carry out research in at least three broad areas.



Not conducting research is not an option for institutions that wish to remain Universities.

As Australia's leading group of research Universities - the Group of Eight of course has a proud history of globally recognised research.

All of you would be familiar with this recent list for example:

- **Gardasil** the vaccine for cervical cancer that teenagers around the world now have administered routinely
- **Spinifex** – for chronic pain relief that has made a world of difference to so many people around the world
- **Resmed's** world famous work on sleep apnea
- The fact we have such **advanced MRI** available
- The **GI Index** we now use as routine when choosing what we eat and when
- **EmryoGen** – which improves the chances of conception and pregnancy using IVF
- **Elastagen** – which so vitally returns elasticity to regenerated skin after severe burns
- **SNAP** surveillance technology so vital at airports to assist with terrorism
- **Recaldent** which can reverse early tooth decay without dental intervention

I could give you a much much longer list but I think that suffices to illustrate the value of what Go8 members do every day for you.

Go8 Universities deliver 62% of Australia's world class standard research.

We receive almost 60% of the National Health and Medical Research Council funding.

We account for two-thirds of all research funding to Australian Universities.

And this is where we return to the thought I asked you to hold – that the more research you do, the more part funded research grants you win, the more money you have to find from somewhere else to pay for it.

It wasn't Government which covered the cost of all those medical discoveries. Far from it.

In 2013, the last year for which data is available, we received \$2.4 Billion in research funding.

However, each year the Go8 spends some \$6 Billion on research of which more than \$2 Billion is spent on our globally significant medical and health research.

The above figures mean that we have to heavily cross-subsidise research.

That money - unfortunately because there is no choice - partly comes from the student fees from courses that aren't underfunded by Government such as teaching and business.

That can't continue. Robbing Peter to pay Paul is no answer to anyone's budget, and it always comes to a sticky end - as I am sure we all know from personal experience at one point in our lives.



So, could we reduce our research, or even the quality of our research to save money? - A rhetorical question.....

Because would any of you sitting here want to miss out on some of the amazing research the Go8 has delivered or is working on currently such as Melbourne University's research into dementia or UNSW's work to build the world's first quantum computer; ANU's technologies to mine for resources more efficiently, or Adelaide's efforts to move beyond fossil fuels with green energy made from algae, seawater and sunlight.

From preventing depression among young Australians, to saving people's eyesight in the developing world, Go8 universities' research makes an indispensable contribution.

Think of the many many hundreds of thousands of people whose lives and lifestyles would be affected if this research could not continue.

That is unconscionable.

Or would you want us to save money through lower quality research with all the risks to society that would bring?

I don't think so.

It is neither acceptable to us, nor to you.

But we have to ask - 'where is the money coming from?' - if we are to continue to deliver the research results we currently do..... and unfortunately we have no answer.

There is another element to this also.

Again - outside of the sector it is not widely understood that it is the quality of our research that delivers our Universities their world rankings.

Bear with me because this is a bit of a jigsaw puzzle.

Point one: Group of Eight Universities are consistently the highest rated in world rankings of all Australian Universities.

The facts of distinction booklet I have provided for each of you, and which you can see on screen includes just how high our rankings are.

Again, impressive.

Point two: It is these rankings which bring us our International students.

Currently one in three International students who choose to study in Australia choose to study at a Group of Eight University. That is a strong figure when the nation has 39 Universities.



Point three: If our world rankings drop we, the Group of Eight, will lose many of those students.

And not just us: **Australia** will lose those students.

That is a fact.

We know that because overseas families, and their agents who facilitate the choice process, and even the students themselves, use world rankings to make their destination choice.

The US and the UK are sitting there just waiting to grab more of our International students.

They make no secret of that.

At the same time China especially is pouring vast amounts of money into its own Universities to ensure they are of a high world standard and as a result entice students to stay home to study.

Chinese Government funding for university research rose by a factor of 15 over as many years (1998-2013). Over the same period, China's annual output of graduates has increased sevenfold.

Currently Chinese students make up 29% of the Australian market. That is the highest percentage of any nationality. To illustrate that point - the next highest is Singapore at 10%.

Point four: In this increasingly competitive climate, Australia seems willing to damage the international student market which is currently its third biggest export market at \$18 Billion a year - by placing University funding at risk; by not adequately funding University research.

In our present economic circumstances that does not look like good public policy!

So everything, Government funding, teaching quality, research funding, world rankings, international students is interlinked. The jigsaw puzzle I was referring to.

So indeed the Higher Education sector is at a crossroads.

Probably to most Australians it appears as if the issue began at Budget night 2014 when the Government announced a solution – fee deregulation – to which most Australians didn't know was a problem.

And the legislation has had an impossible pathway ever since; especially with the current Senate construct.

However I have to add here that I have had numerous meetings with the Senate crossbenchers who are against the legislation and to a one, including the Greens, accept we have a funding issue and are more than willing to work with us to better understand that problem's depth.

Which at least is a starting point.



But there is no agreement on what could be the solution.

That becomes lost in ideology.

Of course the issue has actually been building for years.

It has been exacerbated by funding cuts from both major parties when in Government.

It was also exacerbated by the Labor Government's demand driven system – deregulating the numbers of students able to enter Australian Universities, but not the ability to deregulate fees to manage the massive additional costs incurred from that political decision of the Gillard Government.

It is further exacerbated by the fact University funding isn't a sexy election issue.

As I have said publicly in previous speeches we aren't very emotive for the television news. .

There isn't the devastated unemployed factory worker to give a 6pm grab or nearby businesses to talk tearfully of losing money from our plight.

There is no tumbleweed blowing through a deserted campus.

Instead we face what we have described to the Minister and the Senate as 'a slow burn'.

If the funding issue cannot be resolved, lecture sizes **will** increase, course choices **will** be reduced, and yes, ultimately, regardless of how much we fight for it not to happen, realistically research could be affected as we could be forced to do less.

That means quality researchers head overseas never to return, while the student offering is depleted. Everyone loses.

And, in the end, all of this affects you.

As I keep saying it may not be emotive enough for the television news services but the future effect on the community and the economy cannot be downplayed.

It would be an insidious creep of problems into people's lives over a decade or so.

Sadly it seems we do live in an age where there has to be a very visible crisis to bring about change.

As we have noticed recently in South Australia - it took the looming closure of a car plant and the fact Government seats could be lost if the State was not given preferential entre to new defence contracts - to have the PM and assorted Ministers rush to Adelaide to promise a solution.

Meanwhile our Universities are a major Australian employer, - the Group of Eight directly supporting some 50,000 jobs.



Maybe in time if this is not resolved it *will* take an Australian University to close its doors before we can have politicians from all parties seek a viable funding solution.

Like reduced quality and quantum of essential research that is - of course - also an unacceptable prospect.

I don't think we are asking for much.

In Australia, public funding for universities represents just 0.7% of GDP – well below the OECD average of 1.1%.

Australia's investment has declined. In 1995, public funding for universities was 1.2% of Australia's GDP: the sixth highest share in the OECD. Today, we invest on 0.7%, which puts us 24th.... out of 25.

Given how little this country invests in its Universities and their research compared to other first world nations I believe all we are asking for is a fair go.

Importantly a fair go on your behalf.

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