MEDIA RELEASE

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Request for comment during the embargo should be directed to
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Universities make Australia a Productive Country

Productivity underpins our standard of living. This is why Australia’s declining productivity growth has alarmed our political and business leaders and economic advisers and commentators.

Universities Australia has released a report which demonstrates that Australian universities can play a lead role in future productivity growth.

According to Universities Australia Chief Executive Dr Glenn Withers: “Full implementation of the landmark Bradley Review of Higher Education can do more for GDP and living standards growth than any other single publicly identified and costed reform”.

“Modelling for Universities Australia by KPMG Econtech estimates that this Bradley reform scenario would add some 5.6% to national productivity by 2040 and some 6.4% to Australia’s GDP”.

“Other reform proposals ranging from tax reform and workplace reform through superannuation changes and free trade agreements to broadband and schools and health reform are valuable but each add less”.

“It is time to build our national capability to compete and to work smarter through investing in the Australian people. Knowledge investment and infrastructure renewal can be the core of a new reform era for the twenty-first century”.

Dr Withers said that “Higher education also

• delivers on non-economic benefits in social, cultural, health and environmental fields,
• has the highest “value-add” in sustaining economic activity in Australia for any industry sector,
• avoids and offsets the dangers of the two speed economy by delivering benefits Australia wide, and
• repays its public funding many times over”.

As regards this repayment, the report documents how graduates entering the labour market and paying HECS and taxes, and how research and innovation coming on stream, give a huge fiscal dividend.
The Universities Australia paper reports that higher education reform and resourcing would deliver a Commonwealth budget surplus of $325.5 billion better than the no-reform path in the period 2101-2040.

“This is the answer to the question: how do we pay for our pensions, health, roads, and national security for the future?” said Dr Withers.

The report counsels however that these results will only occur if universities are resourced appropriately and managed efficiently.

Dr Withers said “The efficiency obligation is fully accepted by universities and they have been amongst the best global performers in education, but all universities readily accept the need to do still more and to continuously improve.”

This continuous improvement has been evidenced through this week’s QS global rankings which show that 60% of Australia’s universities are in top 500 of the world’s 16000 universities.

“The reciprocal responsibility is that some increase in public per student taxpayer funding and in permitted student contribution amounts under HECS, of the order of 10% each, are needed to complete the delivery of the Bradley Review vision.”

“This is because the report does show that undergraduate student places are substantially underfunded – in fact by as much as 33% on average. A suitable reform package is the key to overcoming this challenge”, Dr Withers concluded.

The report, entitled “A Productive Country” may be found on the Universities Australia website at http://www.universitiesaustralia.edu.au/page/a-productive-country/

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