



Australian Government

Department of Education, Employment and Workplace Relations

Department of Innovation, Industry, Science and Research

Interim Agreement for Mission-Based Compacts

Between:

- Swinburne University of Technology
- The Australian Government

For the period:

1 January 2010 – 31 December 2010

SECTION ONE

Preamble

Compacts

In 2010, the Australian Government and Swinburne University of Technology will agree a mission-based compact commencing in 2011. Compacts will be agreements between universities and the Australian Government detailing public funding commitments and reciprocal institutional commitments. They will support universities to pursue their distinctive missions and to contribute to the Australian Government's aspirations for the higher education sector as whole.

This 2009 Interim Agreement is a transitional arrangement, pending finalisation of the first compact in 2010.

Compacts and Interim Agreements will be based on mutual respect, trust and shared goals to improve students' educational experiences and outcomes and to build research capacity and international competitiveness. As noted by the Prime Minister, compacts herald a new era for the operation and funding of Australian higher education. They will play a key role in implementing the Australian Government's reforms and in ensuring improved outcomes from increased Australian Government investment in higher education. Compacts will be underpinned by information and data provided through the Interim Agreement discussions and by other means in order to support the programs and priorities of the Department of Education, Employment and Workplace Relations and the Department of Innovation, Industry, Science and Research.

The Department of Education, Employment and Workplace Relations and the Department of Innovation, Industry, Science and Research will also look to discuss underpinning activities which might inform mission-based compacts, including those supported through the Education Investment Fund and other programs. This will enable a comprehensive analysis of the University's activities in order to drive a reformed university system that promotes excellence, sustainability, transparency, performance, collaboration, international engagement and innovation.

Compacts will facilitate:

- a focus on excellence within the mission of each university irrespective of its distinctive strategic direction;
- transparency in decision making with respect to compact agreements and provision of public funding being open to external scrutiny, and based on a fair application of consistent rules;
- accountability for outcomes, with universities and the Australian Government sharing responsibility to report publicly on performance against clear and measurable goals; and
- a strengthened funding and accountability framework, supported by appropriate and reasonable reporting requirements

The Australian Government's ambitions for higher education and innovation

The Australian Government's vision for the higher education sector is set out in *Transforming Australia's Higher Education System*. Higher education is central to achieving the key objectives for the nation's future, including:

- **A stronger Australia** – boosting Australia's share of high skilled jobs and productivity growth will require a highly skilled workforce that can rapidly adapt to meet future challenges; and
- **A fairer Australia** – all Australians will benefit from widespread equitable access to a diverse tertiary education sector that allows each individual to develop and reach their potential. Society as a whole will benefit from the widespread application of cutting-edge research.

In supporting these objectives, the Australian Government's ambitions for higher education include:

- producing graduates with the knowledge, skills and understandings for full participation in society and the economy;
- providing opportunities for people from all backgrounds to participate to their full potential and be supported to do so;
- providing students with a stimulating and rewarding higher education experience;
- playing a pivotal role in the national research and innovation system through generation and dissemination of new knowledge and through the education, training and development of world class researchers across a wide range of intellectual disciplines;
- being amongst the leading OECD countries in terms of participation and performance.

The higher education system also plays a crucial role in supporting innovation. The Australian Government's policy statement, *Powering Ideas - An Innovation Agenda for the 21st Century* outlines its aspirations for innovation over the next decade which include:

- progressively increasing the number of research groups performing at world-class levels, as measured by international performance benchmarks;
- progressively addressing the gap in funding for indirect costs related to Australian competitive grants;
- promoting collaboration by encouraging universities to organise themselves into hubs and spokes and to pursue opportunities to undertake industry-driven research more vigorously;
- helping smaller and regional universities develop their research capacity by teaming up with other institutions; and
- significantly increasing the number of students completing higher degrees by research over the next decade.

Principles

The principles under which Australian Government funding for higher education is provided are:

- opportunity for all, especially for those students from groups under-represented in higher education;
- access to university based on merit;
- world-class teaching and learning that advances the international standing of Australian education;
- world class research and research training that advances knowledge, critical thinking and Australia's international standing;
- responsiveness to the economic and social needs of the community, region, state, nation and the international community;
- a sustainable higher-education sector; and
- academic freedom and institutional autonomy

Australian Government support for higher education

The Australian Government announced a 10-year reform agenda for higher education and research in *Transforming Australia's Higher Education System*. An outline of the new initiatives announced as part of that package is included at Attachment A.

University mission

What the University is doing at present

Introduction

Swinburne is an innovative provider of higher and vocational education, based in the eastern and outer-eastern suburbs of Melbourne, and in Sarawak, Malaysia. Annually, the University caters for more than 57,000 students (15,350 EFTSL in higher education and 14,800 EFTSL in VET in 2009), with programs from Certificate I level through to PhD. Whilst most students study at one of Swinburne's five Melbourne campuses, c. 3,000 are enrolled at Sarawak, c. 8,000 study online, c. 1,000 study offshore via TNE arrangements, and c. 12,000 study VET programs in the workplace.

As a true 'university of technology', Swinburne's program profile is concentrated in Engineering and IT. Approximately 36% of undergraduate student load lies within these two broad fields of education, and Management/Commerce accounts for a further 32% of load. Moreover, the alignment between VET and higher education provision sees VET articulators representing nearly 30% of the annual domestic intake into undergraduate degrees – the highest rate of VET to higher education articulation of any Australian university – with most of the articulators progressing from Swinburne's own TAFE Division.

Recently, Swinburne has achieved 'top 500' status in both the Shanghai Jiao Tong and Times Higher Education global university ranking schemes. Collectively, these rankings reflect the University's growing reputation and improving performance, particularly in research. This success, in turn, is underpinned by the University's sound financial position – with a net asset base in 2008 of \$496.6M and low borrowings in relation to asset value, the University has been able to realise operating surpluses in 2007 and 2008 of \$47.4M and \$39.7M, respectively.

Learning & teaching

The University's educational mission is to provide transformational learning and teaching. For learners, education can change self-image, enlarge aspirations, develop confidence and self-efficacy, and encourage new world views. Teachers engaged in their profession also undergo personal and professional development, particularly in a learning organisation such as Swinburne. Finally, through its impact on learners and teachers, the University can reach out and transform communities.

Over recent years, Swinburne has developed an innovative *Professional Learning Model* for undergraduate education (and an analogous *Vocational Learning Framework* for VET delivery). The *Model* features a common majors/minors degree structure across all disciplines, delivered within an academic calendar that consists of two 12-week semesters separated by two 6-week (summer and winter) terms. The *Model* also features 'real world' approaches to delivery, through industry-based learning, industry-linked projects, and other forms of work-integrated learning.

The common degree structure and new academic calendar provide students with options in terms of the content of their program and the pace of their study. For example, they can opt to choose minor (and elective) studies from a wide range of disciplines beyond their major study sequence, and they can accelerate or consolidate their learning by undertaking units offered during the summer and winter terms.

Other aspects of the *Professional Learning Model* ensure that Swinburne undergraduates are provided with a structured range of development opportunities, including career assistance embedded within the curriculum. They also receive feedback on their development of generic skills as they become increasingly capable in their chosen discipline. The popularity and efficacy of these features of the *Model* are evidenced through internal performance data, and sound performance throughout the 2006 – 2009 LTPF rounds (in part through consistently strong GCA CEQ data), and the *Model* itself received strong endorsement in the University's successful AUQA audit in 2008

In the postgraduate coursework arena, Swinburne delivers 240 different programs across many disciplines. Participation in postgraduate study has increased sharply in recent years (up 54% from 2,065EFTSL to 3,180EFTSL during 2006 – 2009) with most of the increase in IT and Natural & Physical Sciences, and in international student participation (up 78%). Aspects of the *Professional Learning Model* have been extended to a range of postgraduate coursework programs, including initiatives to facilitate engagement and pathways to research.

Research and research training

For more than a decade, the University strategy has been to concentrate its research effort in a limited number of areas in order to ensure high quality performance, collaboration and prominence at national and international levels. At present, the University has eight such concentrations (Tier 1 research centres) in: astrophysics and supercomputing; atom optics and ultrafast spectroscopy; brain sciences; complex software systems and services; manufacturing; micro-photonics; social research; and sustainable infrastructure.

These research centres now make an important contribution to the national and global research effort, as evidenced by the top-500 SHJT ranking noted earlier. Swinburne's category 1 research income has risen from \$5.5M in 2006 to \$7.7M in 2008, with SCI and SSCI publications increasing from 375 to 540 between 2006 and 2009. Industry-linked research is a priority and, beyond the University's involvement in CRCs, important research partnerships have been forged with organisations as diverse as the Boeing Company, Suntech Power Holdings, ANZ Trustees, Victoria Police and the Salvation Army.

The focussed research strategy allows the University to resource its leading research teams adequately. This resourcing has included significant investment in infrastructure through, for example, the Advanced Technologies Centre at the Hawthorn Campus and access to high quality infrastructure such as the Keck Observatory. As well, central support is provided for grant applications, for raising community awareness of Swinburne's strengthening research capacity and performance, and for preparatory activity related to the ERA framework.

In 2008, 97 postgraduate research (RHD) students completed at Swinburne and, in 2009 the RHD load is 541EFTSL – up 5% on 2008. Much (60%) of this load is concentrated in Engineering and Natural & Physical Sciences, but the University seeks actively to recruit and support high performing domestic and international RHD applicants across the disciplines. In this regard, strategies include two rounds of research scholarships each year, tuition fee waivers, schemes for supervisor development, registration and accreditation, a Student Research Training Program, an RHD student publication support scheme, and the provision of designated work spaces for RHD students

Internationalisation

For Swinburne, internationalisation means integrating international, intercultural and global dimensions into the University's mission, programs, delivery models, research, community service, and the general staff and student experience. At one level, this translates to increasing provision of education, training and research services for international students, clients and partners of various kinds – onshore and offshore.

At another level, there are broad internationalisation objectives around the notion that *all* Swinburne students are, in a sense, international students. Increasingly, they proceed to employment and further study in a global context, and this reality underpins current activity to internationalise the University's curriculum, promote cross-cultural engagement in learning, establish TNE partnerships, and expand international mobility options. The same considerations apply, more or less, to Swinburne staff members.

In 2009, c. 14,000 international students are enrolled at Swinburne. Onshore, they represent 14% of the University's VET load, 26% of undergraduate load, and 62% of postgraduate load. The main source countries are India and China (accounting for 28% and 15%, respectively, of total onshore student load in Higher Education) with Vietnam, Sri Lanka and Malaysia accounting for a further 20% of load. Offshore, the University operates successful TNE programs, including collaborative articulation pathway (CAP) programs, and a partnership with Boston-based Northeastern University sees increasing numbers of students earning Masters qualifications from both universities.

For Swinburne's domestic students, international mobility programs are a feature of programs in most disciplines, with increasing use of the Sarawak campus to widen opportunities cost-effectively. These mobility initiatives were commended in the University's 2008 AUQA Audit Report.

Human and capital infrastructure resources

The University's staff (2,209 EFT in 2008) are central to high-level performance. For this reason, recruitment policy is to obtain the best people available, with a doctoral qualification mandatory for almost all academic appointments. As a result, the percentage of Swinburne academics with a PhD rose from 52% in 2006 to 62% in 2009 (a little above the ATN average of 60% in 2008).

To support the high-performance agenda, the University is currently trialling and refining a comprehensive Performance Development and Reward (PDR) Scheme. The PDR Scheme incorporates a framework within which staff members have individualised performance objectives and targets aligned to unit and University targets, supported by extensive opportunities (and funding) for ongoing professional development. The aim is for 80% staff participation in the PDR Scheme in 2010, 90% participation in 2011 and 100% participation in 2012.

Over the past three years, Swinburne has invested more than \$60M in building construction and refurbishment, and current capital works include construction of a \$130M Advanced Technology Centre and \$30M Student Services Hub at Hawthorn, and a \$10M Green Trades Centre at Croydon. The Hub and Green Trades Centre are scheduled to be commissioned late in 2010, with the Advanced Technology Centre to follow early in 2011.

The construction/refurbishment program has multiple objectives. Foremost among these is the intention to establish world class research facilities to house 'iconic' research equipment, and learning spaces suited to engaging, 'real-world' learning. Another important objective is to reduce the University's carbon footprint over the medium term. To this end, a comprehensive Sustainability Strategy was adopted in 2009, complemented by an Environmental Management System which is delivering efficiencies in resource use and waste reduction.

What the University aspires to be

The University's development strategy, summarised in the *Swinburne in 2015* vision statement, is to build from existing strengths to establish a clear, differentiated position as a leading provider of transformational education and research – in Australia and globally. The intention is to define this position by:

- ⇒ industry-relevant professional and vocational learning across the full spectrum of qualification levels, with 'seamless' guaranteed pathways that enable learners to move between VET and higher education, and new options for higher education students to achieve VET qualifications integrated into undergraduate studies
- ⇒ further development of the experiential 'real-world' approach to learning encapsulated in the University's *Professional Learning Model* and *Vocational Learning Framework*
- ⇒ high-impact research, focussed through a broader range of 'concentrations of excellence' responsive to industry and government priorities, with strengthened links between these areas of research and undergraduate program provision
- ⇒ an international outlook, with staff and students coming to Swinburne's Australian and Sarawak campuses from around the world, as well as working and studying offshore, and graduates from all programs well-prepared for the international workplace
- ⇒ mutually-beneficial engagement with industry and the wider community
- ⇒ a commitment to sustainability, manifest externally through practical contributions to environmental quality, social justice and economic prosperity, and internally through the integration of sustainability principles into programs and research
- ⇒ genuinely transformational educational and research outcomes for the University's diverse stakeholders, coupled with an unrelenting commitment to quality

This vision takes cognisance of the Government's (2009) *Transforming Australia's Higher Education System*, and the associated 2009 Federal Budget announcements. In particular, the University's vision responds to national initiatives to:

- ⇒ grow Australia's higher education sector through demand-driven funding from 2012
- ⇒ increase the integration of the Australian VET and higher education sectors
- ⇒ increase participation and attainment in higher education for low SES students
- ⇒ improve funding indexation arrangements
- ⇒ boost research funding, and research quality through the ERA initiative
- ⇒ improve the capital infrastructure of tertiary education providers through significantly increased EIF and TLCF expenditure
- ⇒ enhance the quality of tertiary education in Australia through the Tertiary Education Quality & Standards Agency (TEQSA), with at-risk performance funding from 2012

Swinburne intends to grow and thrive in the increasingly competitive educational environment, without compromising quality, differentiating through its transformational education and research. To succeed, stakeholder engagement will be active and meaningful, with an emphasis on needs- and evidence-based innovation to deliver quality education and research outcomes.

For students, Swinburne's approach will continue to emphasise the development of discipline expertise coupled with generic employability skills via the *Professional Learning Model* (higher education) and *Vocational Learning Framework* (VET). Thus, curriculum approaches will emphasise experiential learning in vocational, professional and research contexts, facilitated by staff with industry and research expertise. In TAFE, much delivery will continue in the workplace, and structured skills development and hands-on approaches to learning will increasingly build engagement on-campus. In higher education, engagement (and the desired professional outcomes) will derive from the combination of teaching, research and industry expertise provided to students within a supportive, real-world learning context.

Effective multi-sector pathways are central to the University's vision, and central to growth and organisational success in a contestable tertiary education sector. As a University with established reputations in professional and vocational education, and in research, Swinburne has the opportunity in the post-Bradley era to establish itself as the best-practice model for excellence as a dual-sector institution. Increasingly, all Swinburne students will be offered pathways and choices to achieve both VET and higher education qualifications, undertaken in sequences and combinations to suit their learning needs.

The intention is that the range of VET and higher education programs available will be coordinated so that students entering diploma studies have guaranteed offers to progress to Higher Education. As well, students entering undergraduate and postgraduate programs will have new options to undertake integrated VET and higher education studies, so that no student need leave Swinburne without one (or several) qualifications.

Swinburne will also seek to grow by broadening its program profile, perhaps into areas such as nursing, allied health and education, and by simultaneously strengthening links with the secondary school sector. A wider range of complementary VET, undergraduate and postgraduate programs, combined with greatly improved access and pathway options, should be attractive to both prospective and current students, and to industry clients. Growth will also come as Swinburne reaches more prospective students through expanded OUA provision, and through strategies to provide access and support for an increasing number of students of comparatively low socioeconomic status.

The University will continue to regard education and research as being of equal importance, and continue to value the research-teaching nexus. However, while the strategy of establishing and supporting a small number of research centres has served Swinburne and its stakeholders very well in terms of building research performance and reputation in the past, such a business model is not infinitely scalable. Therefore, while the intention is to establish perhaps two or three additional research centres with a view to them reaching national and international performance standards reasonably quickly, the intention is to implement various support strategies that will lift research performance 'between the peaks'

In terms of the University's internationalisation agenda, the aim in the outlook period is to capitalise fully on recent achievement. This means strengthening partnerships with leading universities and colleges in Asia, Europe and North America, broadening international pathway options, further internationalising the curriculum, increasing international mobility for staff and students, implementing a more strategic approach to TNE activity, and building on the success of the Sarawak branch campus in various ways. It also means achieving ongoing growth in international student recruitment from the recent record levels, and improving the engagement and retention of international students.

The University's plans for supporting its aspirations

In planning, Swinburne is mindful of uncertainty about the timing and strength of post-GFC recovery, and about future levels of Government spending on education and research given the competing demands for spending in areas including defence and health, and major initiatives such as the \$43B national 'fibre to the home' broadband network and the Carbon Pollution Reduction Scheme.

Against this, the national and Victorian contestability agendas open up real opportunities for growth, and Swinburne is well-placed in this regard given its comparatively sound financial position, the marketing and recruitment advantages (domestically and internationally) intrinsic in being a dual sector provider, the strategies for differentiation outlined previously, and the organisation's commitment to quality.

This commitment to quality is central to the University's growth strategy going forward, because it will determine the organisation's standing within Australia and offshore. For this reason, the strategy is to invest, significantly, in human resources, buildings, and other capital infrastructure and equipment. Such investment will drive quality in both education and research, build reputation, and facilitate the domestic and international recruitment of staff and students.

In summary, the University intends to build strength and organisational sustainability for the long term by growing quite rapidly. The main strategies to be adopted in order to achieve such growth, without compromise to quality, are as follows:

- ⇒ significant investment in human resources, enabling the recruitment of outstanding personnel and ongoing professional development aligned to University directions and priorities through the PDR Scheme
- ⇒ significant investment in on-campus buildings, facilities, ICT infrastructure and equipment
- ⇒ some broadening of the program profile, and of research activity
- ⇒ closer links with the secondary school sector
- ⇒ guaranteed pathways that enable learners to move between VET and higher education, and to earn VET and higher education qualifications concurrently and sequentially
- ⇒ rapid growth in off-campus provision, including through Open Universities Australia
- ⇒ initiatives to boost the participation of low SES students in both vocational and higher education – strategies under consideration at present include the establishment of:
 - closer links, pathways and on-site delivery arrangements with selected TAFE providers that draw from predominantly low SES catchments in rural Victoria
 - closer links and pathway arrangements with selected senior secondary schools that draw from predominantly low SES catchments at Melbourne's eastern rural fringe
 - bursaries for low SES students in Victorian secondary schools, perhaps available for the four years from year 9 to year 12
- ⇒ initiatives to diversify and build international student recruitment into vocational and higher education programs at the Melbourne campuses and at Sarawak, including particularly collaborative articulation and other pathway programs

SECTION TWO

Teaching and Learning

The Commonwealth Grant Scheme funding agreement of December 2009 will remain in effect throughout the period of this Interim Agreement. Where eligible, other funding for 2010 will be delivered through a range of new and existing Australian Government teaching and learning programs.

The University and the Department of Education, Employment and Workplace Relations agree to work co-operatively to enable the Department to:

- finalise the framework for mission-based compacts during 2010; and
- develop a framework for performance funding, including appropriate teaching and learning performance indicators, which will be used to set targets for performance funding in the 2011 compact.

No funding is contingent on the teaching and learning component of this Interim Agreement.

SECTION THREE

Research and Research Training

Funding under the Higher Education Support Act 2003

In 2010, the Department of Innovation, Industry, Science and Research (Department of Innovation) will provide the University with funding from a suite of research block grant programs including the Research Training Scheme (RTS), Australian Postgraduate Awards (APA), International Postgraduate Research Scholarships (IPRS), Research Infrastructure Block Grants (RIBG) and Joint Research Engagement (JRE). These grants form the basis of this agreement. The Department of Innovation will also look to discuss how research collaboration, participation, engagement and excellence, supported by a broader range of the portfolio's programs, might inform mission-based compacts – see Attachment B.

The University and the Department of Innovation agree to work co-operatively to enable the Department to:

- finalise the framework for mission-based compacts during 2010; and
- develop performance indicators and targets to be used within the 2011 compact.

As part of this agreement, the Department may identify priority areas of research which align with the University's strengths and mission.

Sustainable Research Excellence in Australia (SRE)

The Department of Innovation has established the Sustainable Research Excellence in Universities (SRE) program, which supports excellence and contributes to a more sustainable University research sector, by ensuring that adequate funding is available to allow competitive grants for research to be effectively utilised.

The program will have three funding components:

- a Base component whereby 20 per cent of the funding provided will be allocated on the basis of the existing Research Infrastructure Block Grants (RIBG) formula, i.e. on the basis of the relative success of the institutions in attracting competitive research funds as calculated from schemes in the Australia Competitive Grants Register;
- A Threshold One funding component whereby up to 13 per cent of available SRE funding in any one year will be available to those universities participating in Transparent Costing and the Excellence in Research for Australia (ERA) initiative; and
- A Threshold Two component whereby 67 per cent of available SRE funding in any one year will be available for those universities participating in Transparent Costing and ERA and who meet specified performance targets

The University acknowledges that its participation in SRE will be governed by this agreement and by processes administered by the Department of Innovation as part of this agreement. The University acknowledges that participation in both Transparent Costing and ERA is a prerequisite for receipt of funding under the Threshold 1 and Threshold 2 elements of SRE.

The University commits in this Agreement to working cooperatively with the Department of Innovation to finalise its Transparent Costing and ERA participation status based on the SRE framework set out in the SRE Guidance Paper, Transparent Costing Specification, SRE Conditions of Grant and any other related documents or processes published by DIISR.

Collaborative Research Networks program

The Collaborative Research Networks (CRN) program will assist smaller and regional universities to adapt to a research system driven more strongly by performance outcomes. From 1 July 2010 regional and smaller universities will be invited to make submissions which support areas of national importance. Funding will be made available to successful universities from 1 January 2011. CRN funding and the research activity it will support are therefore outside the scope of this Interim Agreement, but will be addressed in the compacts to be negotiated with universities in 2010.

The University agrees to work with the Department of Innovation on developing the framework for the CRN program.

Interim Agreement

This interim agreement covers the period from 1 January 2010 to 31 December 2010. It may be amended, if agreed in writing by all the parties.

Signed on behalf of **Swinburne University of Technology**

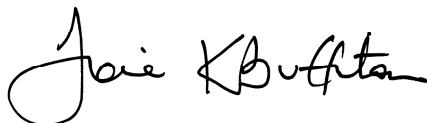


Signature

Ian Young
Vice-Chancellor

Name and position

Signed on behalf of the **Department of Education, Employment and Workplace Relations**



Signature

Fiona Buffinton
Group Manager,
Higher Education Group

Name and position

Signed on behalf of the **Department of Innovation, Industry, Science and Research**



Signature

Jessie Borthwick
Head of Division
Research Division

Name and position

Summary of budget initiatives

Initiative	Description	Funding 2009-10 to 2012-13 \$m
<p>Funding to support the low SES participation targets</p> <ul style="list-style-type: none"> ▪ Partnerships ▪ Student loading 	<p>In 2010 funding to support the low SES participation targets will be about 2 per cent of teaching and learning grants, and will increase to about 3 per cent in 2011. By 2012, equity funding will be broadly in line with the recommendation of the Bradley Review to increase it to 4 per cent of teaching and learning grants</p> <ul style="list-style-type: none"> ▪ Partnerships activities ▪ Student loading <p>The funding will support the government's ambition to increase higher education enrolments of students from a low socio economic background to 20 per cent by 2020. This includes \$394 million new funds, plus existing Equity Support Program funding</p>	<p>108</p> <p>325</p>
Demand driven entitlement system for domestic higher education students	Public funding will be provided for each undergraduate student eligible for a university place. Universities will continue to set their own entry standards, including entry requirements such as pre-requisite subjects, and make strategic decisions about course provision and their ultimate size	491
Higher Education Loan Program (HELP) repayment reduction for education and nursing	Repayments for the Higher Education Loan Program (HELP) for eligible education and nursing graduates will be reduced if they work in a teaching or nursing profession. This proposal is aimed at addressing the skills shortages in both professions	83
Increase in the maximum annual student contribution amount for education and nursing	The maximum annual student contribution amount for education and nursing will be increased, providing a direct increase in revenue to institutions offering these vital courses	33
Indexation	Revised indexation for higher education funding will be introduced from 2012, with transitional arrangements for teaching and learning in 2011. The increase in indexation will provide funding security and certainty for institutions to support improved student-to-staff ratios and greater student engagement	578
Sustainable Research Excellence in Universities	Increase in funding for the indirect costs of research, currently funded through the Research Infrastructure Block Grants (RIBGs). This will ensure resources are allocated rationally and used efficiently	512
Joint Research Engagement	Replaces the Institutional Grants Scheme to encourage and support engagement with the end users of research	-
Collaborative Research Networks	Networks to encourage institutions, particularly those in regional Australia, to form partnerships with universities with already established research strengths,	52

	relevant to their mission and profile	
Excellence in Research for Australia (ERA)	Funding will be provided for establishment of a framework for Excellence in Research for Australia (ERA)	36
Education Investment Fund	Australia's tertiary education and research sectors will benefit from a capital injection from the Education Investment Fund (EIF)	2,985
National body for regulation and quality assurance	The national agency will be established from 2010 to underpin a robust quality assurance framework for Australian higher education, and to drive improved standards of teaching and learning for students	57
Performance funding	From 2012, new performance funding will reward institutions that meet agreed targets in key areas such as improving the quality of teaching and learning and the outcomes for students from low socio economic backgrounds	206
New arrangements for student income support	Provides comprehensive changes to the student income support system to remove the financial barriers to the participation of students from low socio economic backgrounds and Indigenous students. This supports the Government's ambition to increase higher education enrolments of students from a low socio economic background to 20 per cent by 2020	-
Postgraduate Research Student Support	Raises the stipend in the Australian Postgraduate Award to \$22,500 from 2010	52
Removal of the OS-HELP loan fee	The loan fee on OS-HELP Loans will be removed in 2010. This will encourage Australian students to study overseas during their higher education courses, enhancing their student experience and learning outcomes	17
Structural Adjustment Fund	Funding will be provided to support significant structural change across the sector, which could include the creation of new models of higher education institutions and collaborations between higher education and vocational education and training providers Total funding of \$400m includes \$64 million from the existing Diversity and Structural Adjustment Fund, and \$200 million for the capital components of structural adjustment to be funded from the EIF	402
Savings measures		
Learning and Teaching Performance Fund	This program will be discontinued. Performance funding will provide incentives for institutions to improve learning and teaching quality	-324
Workplace Productivity Program	This program will be discontinued	-78

PACKAGE ELEMENTS	2010	2011	2012	2013	2014 and beyond
	Transition period		New student centred funding system		
Student entitlement funding	Transition to student centred funding model		Student centred funding model		
Increased indexation		Conditional funding (equivalent to improved indexation on T&L grants)	Increased indexation of teaching and learning and research HESA grants		
Performance funding			New performance funding of 2.5% of current teaching and learning grants		
Quality and regulatory framework	Tertiary Education Quality and Standards Agency				
Funding to support low SES participation	2% of T&L funding in 2010	3% of T&L funding in 2011	4% T&L funding from 2012 onwards		
Student income support	Improved targeting of income support New student scholarships Australian Postgraduate Awards stipend increase				
	Independence age reduced to 24 years	Independence age reduced to 23 years	Independence age reduced to 22 years		
		Personal Income Threshold increased to \$400 per fortnight	Income support for all Masters by Coursework programs		
Structural adjustment funding	Structural Adjustment Funding				
Higher Education Loan Program	Higher Education Loan Program reforms: Reduction in HELP repayments for nursing and teaching; increase to student contribution for nursing and teaching; removal of OS-HELP loan fee				
Education Investment Fund	Rounds 1, 2 & 3 and Sustainability Round				
	Sustainable Research Excellence (incremental increase to 2013)				
Research initiatives	Joint Research Engagement				
	Collaborative Research Networks				

Enhanced Research Funding System

Collaboration	Participation
<i>Collaborative Research Networks program</i> <i>Co-operative Research Centres</i> <i>Infrastructure collaboration</i>	<i>Increased Aust. Postgraduate Awards</i> <i>Super science fellowships and other Aust. Research Council fellowships</i> <i>Research Training Scheme</i>
Engagement	Excellence
<i>Joint Research Engagement</i> <i>Co-operative Research Centres</i> <i>ARC Linkage program</i>	<i>Sustainable Research Excellence</i> <i>Excellence in Research for Australia</i> <i>Improved indexation of Block Grants</i>

Compacts with universities will provide a framework for the Government's reform agenda

Dual system of core funding:
Existing formula-based Research Block Grants and Competitive Research Grants (ARC, NHMRC etc)

Infrastructure funding programs	National Collaborative Research Infrastructure Strategy	Education Investment Fund - SuperScience Package
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Reformed university research system that:

- **Drives Excellence**
- **Builds Sustainability**
- **Provides transparency**
- **Improves performance**
- **Promotes collaboration & responsiveness**
- **Engages internationally**
- **Promotes innovation**