

Senate Committee: Education and Employment

QUESTION ON NOTICE Supplementary Budget Estimates 2016 - 2017

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ16-001060

Senator O'Neill, Deborah asked on 20 October 2016, Proof Hansard page 104.

Higher Education reforms

Question

Senator O'NEILL: Could the department provide updated modelling on these over forwards in the long term—10 years?

Senator Birmingham: I am not sure about over 10 years, but—

Dr Bruniges: Notional.

Senator Birmingham: We can take that on notice, I am sure, and provide you with a breakdown of the individual measures as they are currently budgeted to take effect from 1 January 2018.

Senator O'NEILL: Okay, that would be helpful, thank you. Can the department provide details on the impacts of these cuts in terms of each university's funding overall and enrolment growth?

Senator Birmingham: We can have a look as to whether there is any modelling to that effect.

Dr Bruniges: Yes.

Senator Birmingham: I doubt that there is, but we will take it on notice and have a look.

Answer

The Department of Education and Training has not undertaken any costing of the unlegislated reform measures recently. The most recent estimates are those presented in the Parliamentary Budget Office (PBO) publication *Unlegislated measures carried forward in the budget estimates—June 2016 update* (see attached table). PBO estimates are based on their own data and assumptions, not the department's.

In order to answer the question about the impact of these measures on each university, the department would have to make assumptions regarding:

- individual mixes of student load over the next several years for each university
- the number of additional sub-bachelor places each university will offer
- CPI for the next several years
- the share of research training load and grants by university over the next several years.

As such, it is not possible to provide meaningful estimates of the impact of these measures on individual universities.

Table 1. Projected fiscal balance impact of unlegislated higher education measures carried forward in the current 2016–17 Budget estimates and over the medium term

Fiscal balance impact (\$ million)	2016–17	2017–18	2018–19	2019–20	Total to 2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	Total to 2026–27
Expanding opportunity — FEE-HELP and VET FEE-HELP loan fee cessation	-	-363	-748	-786	-1,897	-838	-899	-968	-1,043	-1,125	-1,214	-1,312	-9,296
Higher Education — structural adjustment fund	-	-42	-58	-	-100	-	-	-	-	-	-	-	-100
A Sustainable Higher Education System – Research Training Scheme - student contributions	-	32	64	67	163	71	76	80	86	92	98	104	770
Expanding opportunity — expansion of the demand driven system and sharing the cost fairly	-	448	956	1,059	2,463	1,175	1,300	1,432	1,577	1,735	1,903	2,085	13,670
<i>Component: Reduction in Commonwealth Grant Scheme subsidies</i>	-	564	1,224	1,403	3,192	1,610	1,811	2,000	2,209	2,436	2,680	2,945	18,883
<i>Component: Non-university higher education provider places</i>	-	-63	-131	-143	-336	-155	-167	-179	-190	-202	-215	-227	-1,672
<i>Component: Additional sub-bachelor places</i>	-	-54	-138	-201	-393	-280	-344	-389	-441	-499	-562	-633	-3,541
Higher Education Reforms — amendments	-30	-62	-68	-75	-236	-79	-85	-92	-100	-108	-118	-128	-947
Total	-30	13	146	265	393	329	392	452	520	594	669	749	4097

Note: These figures are from a Parliamentary Budget Office (PBO) publication, and are based on the PBO's own data and assumptions.