



The under enrolment floor allows institutions to keep funding for the first 1 per cent of under enrolment and puts a limit of 4 per cent on the funding reduction for under enrolment. By retaining this floor during the transition period, the Government is providing funding certainty to institutions, allowing them time to adjust to the new student centred funding arrangements.

The estimated cost of the demand driven system was based on meeting the Review Panel's attainment target of 40 per cent of 25 to 34 year olds having a bachelor level qualification or above by 2020. The Government has adopted an attainment ambition of 40 per cent of 25 to 34 year olds having a bachelor level qualification or above by 2025.

The indicative costing in the Bradley Review did not take account of growth that could be funded within the previous forward estimates for the CGS. The Budget measure takes this into account and reflects the new funding that is estimated to be required.

- (c) It is estimated that the initiative will fund an additional 80,000 Commonwealth supported places over 2010 to 2013.
- (d) No. With limited exceptions, including medical places and places allocated as part of new places rounds with a particular focus, the Government does not seek to control the types of courses that universities are required to deliver under current funding arrangements. However, the allocation of places by broad discipline cluster and the restriction on the overall number of places creates rigidities. The new system is intended to encourage universities to respond to student demand and encourage greater diversity to attract students.
- (e) The Government has stated that it will continue to have a role in ensuring Australia's skills needs are being met by the higher education system. There will be clear and strong public interest oversight of the demand driven funding system that will be in place from 2012. Skills Australia's role will be expanded to advise the Government on the effectiveness of the higher education system in meeting Australia's skill needs.

Special measures will be considered as necessary to ensure that disciplines of national interest or areas of study of notable or enduring educational merit will be maintained in the demand driven system. These measures could include support for collaboration between institutions, increased funding or incentives for students.