

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Supplementary Budget Estimates 2011-2012**

**Outcome 3 - Tertiary, Skills, International and Indigenous Strategy**

**DEEWR Question No.** EW0660\_12

**Senator Rhiannon provided in writing.**

**Question**

**Demand Driven funding**

Will the Commonwealth direct any additional capital expenditure to help universities cope with the drastic expansion in student places expected under a deregulated higher education system?

**Answer**

The need for additional infrastructure to meet an expansion in student places will vary from university to university, and the Department will continue to work with universities to identify future infrastructure needs and provide advice to Government accordingly.

The Australian Government has already committed significant additional funding since 2008 to enhance university infrastructure and help support an expansion in student places, as outlined below:

- Better Universities Renewal Funding of \$500 million, which was allocated to in 2008 as a one-off initiative to renew universities' infrastructure. The funding has been provided for campus renewal, to improve higher education institutions' infrastructure for teaching, learning and research and to enhance the student experience through improved student amenities.
- Commitments of over \$1 billion from competitive funding rounds of the Education Investment Fund (EIF) have been allocated to universities from competitive rounds of EIF for teaching and learning infrastructure projects. The role of EIF is to build a modern, productive, internationally competitive Australian economy by supporting world-leading, strategically-focused infrastructure investments that will transform Australian tertiary education and research.
- Teaching and Learning Capital Fund for Higher Education funding of \$500 million from EIF, which was shared amongst all universities from 2009 for campus renewal projects. The purpose of the fund was to revitalise universities by developing teaching and learning spaces that are physically and technologically appropriate for 21st century approaches to tertiary education.

- Structural Adjustment Funding of \$400 million, which was announced in 2009, to assist universities to prepare for the new operational requirements of a demand driven funding system with new quality measures in place. This funding includes \$200 million from the EIF earmarked for infrastructure investments.
- In the 2011-12 Budget, the Australian Government announced \$500 million over five years for a Regional Priorities Round of EIF. This will support regional higher education institutions and vocational education and training (VET) providers to improve their infrastructure, and help improve the quality of training and education regional students receive.

Annual funding for teaching infrastructure or capital costs is included in the current university base funding model. An issue for consideration by the Higher Education Base Funding Review is whether infrastructure investment should continue to be supported by base funding. The Government will publicly release the Final Report of the Base Funding Review before the end of this year.