

Senate Standing Committee on Education and Employment - Education

QUESTIONS ON NOTICE Budget Estimates 2014-2015

Outcome 3 - Higher Education, Research & International

Department of Education Question No. ED0355_15

Senator Carr asked on 5 June 2014 , Hansard page 40

Question

University costs - modelling

Senator KIM CARR: I am going to come back to the international market in a moment, given the proposition you have just advanced. Let me just deal with what Melbourne university is saying. As I understand it, their initial modelling says that the budget cuts for them mean \$52 million in teaching funds from 2017, \$7.6 million from RTS, and \$2.1 million from indexation. That is about \$62 million. Where would they get that money from? Would you agree, Mr Griew, that \$62 million is the result of the budget cuts? That would be the amount of money that Melbourne university could expect to lose? Mr Griew: I do not have that figure. I would have to take that on notice. Senator KIM CARR: You have done some modelling, I presume. Tell me what the effect of the budget cuts per institutions is? Ms Paul: We could take that on notice. Depending on how you mean it. The whole point, of course, of the deregulated environment is that universities will be able to chart their own course. In addition, I think analyses like that in the media have so far tended to not allow at all for the opportunity for universities themselves, for example, to take advantage of all the spending measures in the budget. For example, the extension of CGS, or Commonwealth funding, to private higher education providers and to sub-bachelors will advantage some institutions already who are undertaking those ventures. Senator KIM CARR: You will be able to identify those for me as well? Ms Paul: We could identify some of them..... Senator KIM CARR: No. It could be higher. It could be higher figures. Mr Griew: But they have not made final decisions. So when you ask us to take on notice modelling impacts, we need to be very precise about what it is we would model. Cont. page 41 Senator KIM CARR: It has been put to me that a number of universities have done their preliminary modelling. At Melbourne university, the results of these budget cuts are \$62 million. At the University of Queensland, it is \$60 million. In the University of Tasmania, it is \$30 million. At Deakin, it is \$42 million. I want to know whether or not that is an assessment that you would agree with. Ms Paul: Well, I am quite happy to take it on notice. I think you said this before, and I said it was a fair enough point. I acknowledge that you want to know, to the extent we can do it, the potential impact on institutions, on universities, of the reduction in CGS— Senator KIM CARR: Research training and indexation. Ms Paul: And indexation and RTS. That is fine. We will take that on notice.

Answer

In order to answer this question, the Department would have to make assumptions regarding:

- individual mixes of student load over the next several years for each university;
- CPI and the current higher education specific index for the next several years;
- the discount the Government decides to apply to sub-bachelor course rates of funding; and
- the share of research training load and grants by each university over the next several years.

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