

Senate Standing Committee on Education and Employment - Education

QUESTIONS ON NOTICE Supplementary Budget Estimates 2014-2015

Outcome 3 - Higher Education, Reform & Support

Department of Education Question No. ED0660_15

Senator Carr asked on 22 October 2014 , Hansard page 122

Question

Senate Committee hearing into the Higher education research reform Amendment Bill

Senator KIM CARR: The point is the original table that was referred to at those hearings went right back for a number of years. Were there any other measures whereby those funding initiatives were used as offsets? Mr Griew: I really do not think so because during most of that time we were in the industry department but I can check that for you. Ms Paul: Certainly from the other department's point of view. Senator KIM CARR: It was my recollection that the higher education programs were quarantined from industry programs? Mr Griew: I will check both but my recollection is that was mostly the case. The one exception on the other side that comes to mind is the transfer of funding for the Gonski reforms—but we can check.

Answer

The following table sets out the previous Government's announced savings measures to higher education grants and student support, totaling \$6.66 billion from 2011-12 to 2016-17. The savings impacts are for the period 2011-12 to 2016-17 (for measures commencing prior to 2013-14, savings in the table therefore exceed the 4 year impact included in the relevant portfolio budget or additional estimates statement).

	Measure	Saving (\$m)
2013-14 Budget	Efficiency dividend of two per cent in 2014 and 1.25 per cent in 2015 applying to most grants to universities	902.7
	Removal of the 10 per cent HECS HELP upfront discount and the five per cent HELP repayment bonus from 1 January 2014	276.7
	Conversion of Student Start-up Scholarships to student loans	1,182.5
	Cap on tax deductibility of self-education expenses (which did not proceed)	520
2012-13 MYEFO	General interest charge on student income support debt	7.5
	Student start up scholarships (pause indexation)	103.6
	Sustainable research excellence – sustainable growth (changes to the rate of funding for the Sustainable Research Excellence programme)	563.7
	Delay by a further three years the extension of student income support to all coursework Masters program students	199.9
	Cessation of Facilitation funding (conditional funding to encourage universities to agree to the inclusion of performance targets in their mission-based compacts)	384.6
2012-13 Budget	Removal of eligibility to CSPs and HELP for overseas students	41.9
	Increased student contributions for maths and science students	324.9
	Participation component of Higher Education Participation and Partnerships Program (HEPPP) lowered	26.5
2011-12 MYEFO	Reinstate Band 2 student contributions for mathematics, statistics and science units	1,030.9
	Reduction in reward funding	487.8
2011-12 Budget	Reduction in HECS-HELP discount and voluntary repayment bonus	607.7

Budget Paper 2 for 2013-14 indicates that savings from efficiency dividend, removal of the HECS-HELP upfront discount and HELP voluntary repayment bonus, the conversion of the Student Start-up Scholarships to loans and reforms to self-education expenses (worth \$2.8 billion over 2013-14 to 2016-17) were to be re-directed to the *Better Schools – A National Plan for School Improvement* (Gonski) package (pages 217, 216, 221, 31 refer).

However, in the 2013 Pre-election Economic and Fiscal Outlook (PEFO), the previous Government reduced its funding for the Gonski education reforms by \$1.2 billion and this money was taken as a saving.

The 2011-12 MYEFO measure to reinstate Band 2 student contributions for mathematics, statistics and science units indicated that the measure would be “redirected to support other Government priorities, including the additional investment the Government has made in supporting the demand driven funding system from 2012 to ensure that more Australian students have the opportunity to attend university”.

This last qualification does tend to reinforce the point Universities Australia has made about volume driven surges and cutbacks in spending.