

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 BUDGET ESTIMATES HEARING

**Outcome:** 2

**Output Group:** 2.5 – Assistance for post school students including those with special needs

#### DEST Question No. E422\_06

Senator Carr provided in writing.

#### Question:

On the John Laws programme on Radio 2UE on 17 March 2005, Dr Nelson stated, “*Now your hard working listeners are paying for three quarters of what happens in the university system and the students pay their quarter back, interest free...*”.

- (a) Please provide the data used to arrive at the figure of a 25% student contribution towards “what happens in the university system” and the 75% public contribution, with details of all the underlying assumptions.
- (b) Please also provide estimates of student and Government contributions as a percentage of the combined total of relevant income from domestic undergraduate Commonwealth supported students and relevant Federal Government funding, with details of all the underlying assumptions.
- (c) Please provide projections of the estimates given in part (b) for the years 2004, 2005, 2006, 2007 and 2008, with details of all the underlying assumptions.

#### Answer:

##### *Student and Government contributions*

- (a) The average student and Government contributions were calculated as a part of the *Our Universities: Backing Australia's Future* policy paper released in May 2003. Table D in that policy paper is reproduced below.

##### *Student contributions as a percentage of total Commonwealth funding for higher education institutions*

Year	Total Commonwealth funding for operating purposes <sup>(a)</sup>	Total actual student contributions <sup>(b)</sup>	Actual student contribution towards cost of education
2001	\$5.3 billion	\$1.4 billion	26.1%
2005	\$6.4 billion	\$1.7 billion	26.8%
2008	\$7.7 billion	\$2.1 billion	27.6%

(a) Total Commonwealth funding (estimate for 2005 and 2008) provided directly to higher education institutions.

(b) Total actual student contributions (estimate for 2005 and 2008 based on modelled impact of partial fee deregulation) taking into account the subsidies inherent in the HELP programme.

*Total Commonwealth funding for operating purposes* is the sum of the following:

For 2001:

- Operating Grant (including HECS liabilities, Workplace Reform Programme, Indigenous Support Fund, capital roll-in, marginal funding for over-enrolments and teaching hospital grants);
- Research Training Scheme;
- Research Quantum (excluding Small Grants);
- Regional and Rural Assistance;
- Superannuation;
- Capital Development Pool;
- Higher Education Equity Programme;
- Australian Education International; and
- Open Learning Initiative.

For 2005 and 2008:

- Commonwealth Grant Scheme;
- Regional loading;
- Enabling loading;
- Transitional funding;
- Student contributions;
- Regional Protection Scheme;
- Collaboration and Structural Reform Fund;
- National Institutes;
- Workplace Reform Programme;
- Indigenous Support Fund;
- Research Training Scheme;
- Institutional Grants Scheme (excluding Small Grants);
- Superannuation;
- Capital Development Pool;
- Higher Education Equity Programme;
- Australian Education International;
- Open Learning Initiative;
- Workplace Productivity Programme;
- Indigenous Higher Education Advisory Council;
- Disability Support Programme;
- Learning and Teaching Performance Fund;
- Carrick Institute for Teaching and Learning in Higher Education;
- Australian Awards for University Teaching;
- Australian University Quality Agency;
- Graduate Skills Assessment;
- Graduate Careers Council;
- Indigenous Staff Scholarships;
- Commonwealth Education Cost Scholarships; and
- Commonwealth Accommodation Scholarships.

*Total actual student contributions* is the estimated student contributions (or HECS liabilities in 2004) minus the expenses associated with doubtful debt, write-downs due to the remission of debt, write-downs due to death of the debtor, the bonus for voluntary repayments, and discount for up-front payments.

b) and c)

Year	Total Commonwealth funding for operating purposes*	Total actual student contributions**	Actual student contribution towards cost of education
2004	\$6.0 billion	\$1.2 billion	19.5%
2005	\$6.5 billion	\$1.6 billion	24.0%
2006	\$7.1 billion	\$1.6 billion	23.0%
2007	\$7.5 billion	\$1.7 billion	22.8%
2008	\$7.8 billion	\$1.8 billion	22.8%

\* These figures are comparable to the figures published in the *Our Universities: Backing Australia's Future* policy paper. However, these figures also take account of parameter changes and new policy such as National Institute funding and increased scholarships.

\*\* The difference between these estimates and those produced for the *Our Universities: Backing Australia's Future* policy paper is mainly due to changes in the estimate for doubtful debt.

These estimates have been produced using the same methodology and assumptions used to calculate the actual student contribution towards the cost of education in (a).