

Senate Committee: Education and Employment

QUESTION ON NOTICE Additional Estimates 2014 - 2015

Outcome Higher Education Research and International

Department of Education and Training Question No. SQ15-000011

Senator Rhiannon, Lee asked on 25 February 2015, Hansard page 14

Misrepresentation of the legislation

Question

Senator RHIANNON: Not specifically. So if the minister and Ms Paul can put on the record where it was inaccurate. You have said that I have misrepresented the legislation. You need to be accurate when you make those serious accusations.

Senator Birmingham: Senator Rhiannon, I have quoted you. But beyond that, if you would like us to go through errors in the Greens' figures, we can certainly attempt to do that tonight. I am also happy to take it on notice and come back with further evidence in relation to how the Greens have used figures misleadingly. I think that Mr Norton has said that your figures are misleading. I think if you look at the facts of what the UWA—

Senator RHIANNON: You need to say where.

Senator Birmingham: I will happily seek a quote, Senator Rhiannon. As I said, we can discuss the misleading Greens campaign in outcome 3 tonight at length. And I will also take it on notice for us to provide information about where it is misleading.

Senator RHIANNON: Excellent. Thank you, Chair.

Answer

There are a number of questionable aspects of the “What will my degree cost?” website:

- It assumes graduate starting salaries are equal to those published by Graduate Careers Australia in 2011, whereas most graduates affected by the higher education reforms would not graduate until 2020.
- The calculator assumes graduate salaries increase by two per cent per annum which does not represent a standard career progression. The Beyond Graduation 2013 survey, conducted by Graduate Careers Australia, found that graduate salaries increased by around 66.7 per cent from 2008 to 2013 (or around 11 per cent per year). The Greens' website's calculator therefore understates the rate of graduate salary increase, particularly in those years immediately after graduation, which has the effect of understating Higher Education Loan Programme (HELP) repayments.
- Although the website uses fee estimates based on analysis by Andrew Norton, he has publically distanced himself from the website, stating that the student fee amounts used in its calculations are based on international student fees. These fees are therefore higher than what could be reasonably expected as the proposed legislation limits Commonwealth contributions to the tuition fee of a non-Commonwealth supported student (for example an international student) less the Commonwealth contribution.
- The calculator continues to use interest on HELP debt based on yields for 10 year government bonds issued by the Australian Government, rather than CPI, which is current Government policy. This significantly overstates the interest incurred on HELP debts.

In addition, the website does not include a full list of assumptions underlying its model which creates difficulties in interpreting results. For example, it does not explain whether the results take into account inflation or which point HELP repayment periods are measured from.