

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. ED0094_15

Senator Carr provided in writing.

Question

Impact of the 2014-15 budget efficiency dividend

- 1) What will be the impact of the 2014-15 budget efficiency dividend for higher education programs?
- 2) What will be the impact of the 2013-14 budget efficiency dividend on higher education programs?
- 3) What will be the effect on CGS funding in total and per student place?
- 4) When will the efficiency dividend cuts flow to universities?
- 5) At what point, is the cut to be applied? Will it be applied at the point where it makes maximum impact?
- 6) How do the efficiency dividend and the average 20% cut to CSP funding interact and accumulate?
- 7) What is the total average cut to a CSP place – if you add the efficiency dividend to the 30% cut?
- 8) What will be the effect on other programs?

Answer

- 1) There was no new efficiency dividend announced for any programmes funded under the *Higher Education Support Act 2003* (HESA) in the 2014-15 Budget.
- 2) The impact of the 2013-14 efficiency dividend as at the 2013-14 Budget was \$902.7m over the forward estimates to 2016-17. This figure has not been revised and is subject to the passage of legislation and legislative instruments.
- 3) The efficiency dividend is subject to the passage of legislation and legislative instruments. The cut to CGS funding due to the efficiency dividend announced in the 2013-14 budget was \$690.6m over the forward estimates to 2016-17. In 2016 the efficiency dividend will reduce CGS funding per student place by \$365.

- 4) Current advance payments to universities include the effect of the efficiency dividend. Whether final payments and reconciliation include the effect of the efficiency dividend is subject to the passage of legislation and legislative instruments. In the case of 'Other Grants' paid under HESA (i.e. programmes not including CGS, Commonwealth Scholarships and HELP) the efficiency dividend will be applied because the Minister is able to determine amounts payable, and the application of the efficiency dividend does not depend on legislation or legislative instrument.
- 5) Subject to the passage of legislation and legislative instruments, in 2014 a 2% efficiency dividend has been applied, and in 2015 a further 1.25% dividend will apply.
- 6) The average 20% cut to CSP funding proposed is calculated after the impact of the efficiency dividend is taken into account.
- 7) In 2016, it is estimated that the average CGS per student place will be \$1,002 lower due to the 2013-14 Budget and 2014-15 Budget reforms.
- 8) The efficiency dividend announced in the 2013-14 Budget was estimated to reduce funding to teaching and learning programmes (excluding the CGS) by \$54m and research programs by \$158.2m over the forward estimates to 2016-17. These figures have not been revised and are subject to the passage of legislation and legislative instruments.