

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. ED0662_15

Senator Carr asked on 22 October 2014 , Hansard page 123

Question

University revenue per student place

Mr Griew: We have gone to the HESA act and the senator is saying 'act' but it is under the Social Security Act. Ms Paul: Okay, I just want to be clear. Senator KIM CARR: I am assuming that includes EIF monies? Mr Griew: Yes. Senator KIM CARR: Does it include super science initiatives and all of those—the total spent on universities? Mr Griew: We will double check it but the other change you are making is you are asking for dollars, not the percentage change in dollars. Senator KIM CARR: Yes, a percentage would be helpful but given the argument around university funding, it would be interesting to know what your view is. To clarify this matter, which is probably where we get to in the middle of this extract on page 76, what I was looking for is a table on university revenue per student place. You said you could provide something for me in 2014 dollars. I said I had one in 2013 dollars. I am wondering if you could provide a 2014 update. Clearly there has been some confusion. You have implied that I did not want that; I clearly do want that. What I am looking for are university revenues per student place—operating grants excluding HECS loans, Commonwealth per place funding in billions, Commonwealth loadings by billions, total Commonwealth contribution in billions—from 2001. I presume, because you will have it now in the end of the current forward estimate periods through to 2018, I am looking for: HECS liabilities 2001-18, student contribution amounts, total student contribution amounts, total per place revenues, the number of Commonwealth subsidised places, the consumer price index, nominal Commonwealth contribution per student place, nominal student contribution, nominal total revenue per student, Commonwealth dollars and student dollars, real Commonwealth contribution per student place in 2014, real student contribution 2014, real total revenue per student Commonwealth and students 2014. I have provided you with a table. I trust that you can update that. Because that is what I thought we were talking about on 10 October. Mr Griew: We just thought you had moved on to the next thing and we misunderstood, but we can get that. Senator KIM CARR: That is where the confusion is. Can you provide that table? Mr Griew: We will do our best. Senator KIM CARR: How long will that take? Ms Paul: We will do our best. We understand your timing so we will do what we can do.

Answer

The attached table shows university per place revenue as at the 2014-15 Budget, including the impact of the higher education reforms. The department is unable to provide details regarding student contributions for 2016 onwards as this would signal estimates to the market in a way which might lead either to collusion or sub-optimal market operations.

Per place funding as at May 2014

University revenue for student places, 2001 to 2018 ¹																		
	Actuals												Estimates					
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Grant (excluding HECS) (\$bn) ^{2,3}	2.733	2.802	2.860	2.999														
Commonwealth funding for student places (\$bn) ³					3.041	3.253	3.506	3.815	4.011	4.640	4.682	5.374	5.905	6.200	6.500	6.400	6.500	6.700
Commonwealth loadings (\$bn)					0.041	0.042	0.043	0.044	0.144	0.207	0.365	0.457	0.208	0.100	0.100	0.100	0.100	0.100
TOTAL COMMONWEALTH CONTRIBUTION (\$bn)	2.733	2.802	2.860	2.999	3.082	3.295	3.549	3.859	4.155	4.847	5.047	5.831	6.113	6.400	6.600	6.500	6.600	6.800
HECS Liabilities (\$bn)	1.753	1.864	1.907	1.919														
Student contribution amounts (\$bn)					2.121	2.152	2.410	2.675	2.807	3.220	3.271	3.676	4.290	4.600				
TOTAL STUDENT CONTRIBUTION (\$bn)	1.753	1.864	1.907	1.919	2.121	2.152	2.410	2.675	2.807	3.220	3.271	3.676	4.290	4.600				
TOTAL REVENUE FOR STUDENT PLACES (\$bn)	4.486	4.666	4.767	4.918	5.203	5.447	5.959	6.534	6.962	8.067	8.318	9.507	10.403	11.000				
Number of Commonwealth subsidised places	415,357	425,440	422,396	413,323	411,889	417,343	428,735	439,666	469,073	499,323	517,776	547,800	576,900	601,600	618,100	676,400	700,900	724,300
Consumer Price Index (Dec qtr of current year) ⁴	75.4	77.6	79.5	81.5	83.8	86.6	89.1	92.4	94.3	96.9	99.8	102.0	104.8					
Nominal Commonwealth Contribution <i>per student place</i> (\$)	6,580	6,585	6,771	7,256	7,481	7,895	8,278	8,777	8,856	9,707	9,746	10,644	10,597	10,600	10,700	9,700	9,500	9,400
Nominal student contribution <i>per student place</i> (\$)	4,220	4,382	4,514	4,644	5,148	5,157	5,621	6,083	5,984	6,449	6,317	6,710	7,437	7,700				
Nominal total revenue <i>per student place - Commonwealth & students</i> (\$)	10,799	10,968	11,285	11,900	12,630	13,052	13,899	14,861	14,840	16,156	16,064	17,353	18,034	18,200				
Real Commonwealth Contribution <i>per student place</i> (\$ 2014)	9,346	9,089	9,122	9,536	9,562	9,764	9,951	10,174	10,059	10,729	10,460	11,177	10,830	10,600	10,400	9,200	8,800	8,500
Real student contribution <i>per student place</i> (\$ 2014)	5,994	6,049	6,081	6,103	6,580	6,379	6,757	7,052	6,797	7,128	6,780	7,045	7,600	7,700				
Real total revenue <i>per student place - Commonwealth & students</i> (\$ 2014)	15,340	15,138	15,203	15,639	16,142	16,143	16,708	17,226	16,856	17,857	17,240	18,222	18,431	18,200				

¹ as at May 2014

² Includes National Institutes funding in 2001 to 2004 and research quantum in 2001. These amounts are paid separately in other years.

³ Includes Workplace Reform Program, which was rolled into Commonwealth Grant Scheme in 2010 (does not include Workplace Productivity Program)

⁴ Actual CPI figures for 2014 to 2018 are not yet available. Calculations assumed inflation remains between 2 and 3 per cent