

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Additional Estimates Hearing 2011-12
15 February 2012

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: Barriers to students undertaking undergraduate studies

REFERENCE: Written Question - Senator Mason

QUESTION No.: AI-191

1. What studies or work has been undertaken by the Department (or its agents) that provide evidence as to whether Australian domestic students considering undertaking undergraduate courses at a higher education institution regard course fees as a significant disincentive notwithstanding the existence of the income-contingent HECS-HELP loan scheme?
2. What evidence does the Department or its agencies have that the living costs associated with undertaking study are acting as a disincentive for existing or potential Australian domestic to pursue, or continue, their studies at Australian universities?

ANSWER

The Department has, over the last 14 years, produced or commissioned several studies on the impact of student fees on demand for higher education. Departmental studies include:

- *Does HECS Deter? Factors affecting university participation by low SES groups* – Higher Education Division, Department of Education, Training and Youth Affairs, 1999.
- *HECS and opportunities in Higher Education* – Research, Analysis and Evaluation Group, Department of Education, Science and Technology, 2002.

Studies commissioned by the Department include:

- *Higher education access and equity for low SES school leavers: a case study* – Eleanor Ramsey, et al, University of South Australia (commissioned by Higher Education Division, Department of Education, Training and Youth Affairs, 1998)
- *Socioeconomic background and higher education participation: an analysis of school students' aspirations and expectations* – Richard James, University of Melbourne, (commissioned by Higher Education Group, Department of Education, Science and Technology, 2002).

The Base Funding Review considered studies by Chapman and Ryan, 2003 and Marks, 2007. It also considered a study by Gilboa and Justman, 2009. References to these reports can be found on page 127 of the final report.

The Base Funding Review panel commissioned Deloitte Access Economics to assess the impact of recent changes to student contribution levels on student demand for higher education courses. The Department has published the final report on its website.

Two recent reports which discuss the impact of living costs on participation in higher education are the *Bradley Review of Australian Higher Education* (2008) and the *Review of Student Income Support Reforms* by Professor Kwong Lee Dow AO (2011) that examined aspects of the student income support reforms introduced following the Bradley review. The Bradley Review highlighted the “additional living and study costs associated with higher education enrolment, particularly for those students who need to move away from home to study

The Report of the Review of Student Income Support Reforms stated that throughout the submissions made to the Review, ‘...it was noted that the costs of living have generally increased for students’ (page 26).

The Review compared levels of assistance provided through student payments for those young people living at home and away from home. The Review concluded, based on certain assumptions, that ‘...the total package of assistance does compare reasonably well with the realistic costs of living away from home, as independently assessed by the Australian Scholarships Group’ (page 47), while comparisons with the Henderson Poverty Line, ‘...also suggest the maximum package of assistance for a student is a reasonable contribution towards costs’ (page 48).”