

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Additional Estimates Hearing 2012-13
13 February 2013

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

TOPIC: HECS increase – agriculture students

REFERENCE: Question on Notice (Hansard, 13 February 2013, pages 86 and 87)

QUESTION No.: AI-43

Senator NASH: ...Am I correct that there has been a HECS increase for science which would take in the agriculture-related courses?

Mr de Carvalho: There was a removal of a priority rate for maths and science.

Senator NASH: Does that include ag, just to clarify? Is that where it is?

Mr de Carvalho: I think it does, yes.

Senator NASH: So what effectively is that? What does it mean for a student who is doing ag?

Mr de Carvalho: They would have had their student contribution increased?

Senator NASH: By how much? Anyone? While we are looking for that, given the five minutes I have left, can I ask about this: my understanding, and this is why I am after the figures, is that it is around 700 graduates for around 4,000 places in the agri-related sector. Was there any consideration given in a policy sense to what that increase in HECS would do given that we have a huge dearth of students in that category?

Mr de Carvalho: Yes, there was. When that decision was made, there were a range of evidence-based reports taken into account. Because we have an income-contingent loan system, this effectively dampens the price signal quite a lot. The evidence shows that the removal of the priority rate back to the standard rate, if you like, of HECS for students has had very little, if any, impact on participation.

Senator NASH: When did the change come in?

Mr de Carvalho: I think it came in last budget.

Senator NASH: But we would not know, because the intake of students would be now.

Mr de Carvalho: But there have been a range of price increases over the years across a range of disciplines, so that evidence is an input into the decision-making process.

Senator NASH: Okay. Can you take on notice for me the time line around the issue of the increases and the detail around the considerations of what impact that would have. I specifically want agriculture-related courses, not science.

Mr de Carvalho: I understand.

Senator NASH: If you could take that on notice and just turn that all into English for me, that would be great.

Mr de Carvalho: Did you want the price increase?

Mr Warburton: On the rates you were after, in 2012, maths and science were 4,520.

Senator NASH: It is not much use to me without it specifically being ag.

Mr Warburton: Okay. Do you want it all on notice?

Senator NASH: Yes, that would be great. Thank you very much. It is of use, but not as much as specifically the agriculture figures.

ANSWER

As part of the 2008-09 Budget, the Government announced that it was reducing the maximum annual student contribution amount for mathematics, statistics and science units of study to the national priorities student contribution band for students commencing a course from 1 January 2009 and students who transfer from a course of study that was not in the natural and physical sciences to a course that was in the natural and physical sciences.

On 29 November 2011, the Government announced that it was reinstating student contribution amounts for university students who enrol in mathematics, statistics and science units from 1 January 2013. As part of this announcement, it was stated that “students who commence their course between 1 January 2009 and 31 December 2012 will not be affected by this change and will continue to pay a reduced student contribution amount until 31 December 2015.”

As part of the 2012-13 Budget, the Government took the decision to simplify student contribution amounts for mathematics, statistics and science units by re-instating amounts for all students to Band 2 from 1 January 2013. This means that the total student contribution amount for a student who undertakes a full year of study in mathematics, statistics or science units in 2013 is \$8,363. In 2012, it would have cost the same student \$4,520.

The Government took this decision because figures since 2009 indicate that lowering the student contribution amount has not been successful in encouraging significantly more students to enrol in maths and science courses and was not having the desired effect of substantially increasing the number of maths and science graduates.

The Government has not changed the student contribution amounts for agriculture units of study, which continue to be classified as Band 2. In practice however, it is possible that a student enrolled in an agriculture course of study could be undertaking a number of mathematics or science units, and may be affected by changes to the treatment of these units for student contribution purposes.

There is no evidence that the 2012-13 measure has contributed to a fall in students undertaking courses in agriculture.