

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 BUDGET ESTIMATES HEARING

**Outcome:** 2  
**Output Group:** 2.4 Funding for higher education

#### **DEST Question No. E009\_04**

Senator Crossin tabled on 4 June 2003.

#### **Question:**

The National Indigenous Postgraduate Association clearly believes that changes proposed in the "Crossroads" package would see a decrease in postgraduate Indigenous participants. The increase in up-front fees, interest on loans and the five year study limit are all seen as disincentives. How does the budget and DEST plan to overcome these and encourage Indigenous students back to universities?

#### **Answer:**

##### *Indigenous postgraduate students*

Changes proposed in the Crossroads package are expected to advantage students, including Indigenous students.

Institutions' ability to offer full fee-paying places will result in additional educational opportunities and choices for students, including Indigenous students. The availability of loans to postgraduate students ensures that those students that are offered a full fee-paying place but who do not have the capacity to pay their tuition fee up front will not be prevented from accepting that place.

There will be no real interest rate on HECS-HELP debts under the new Higher Education Loans Programme (HELP). The existing arrangement for indexing outstanding HECS debts in line with annual movements in the Consumer Price Index (CPI) remains unchanged, i.e., debt amounts maintain their real value. An interest rate of 3.5 percent per annum will be applied to the new FEE-HELP loan category from 2005, in addition to the normal indexation process. Interest will only be charged for the first ten years of these loans. After ten years, the debt is indexed annually by CPI to maintain its real value, but is otherwise interest free.

The Learning Entitlement provides students with a Commonwealth supported place for the equivalent of five years of full time study. When students have consumed their Learning Entitlement, those Commonwealth supported places are freed for new students, which increases opportunities for others to gain access to higher education. The five year entitlement is sufficient to cover most undergraduate courses. The entitlement may be extended beyond five years to support students who are undertaking an initial undergraduate course or pathway in which the normal enrolment period is longer than five years. Other courses and pathways which may require more than five years will be identified and considered following consultation with universities.

Specific measures for Indigenous Australians include increased Indigenous Support Funding which will increase and strengthen institutional support; the establishment of an Indigenous Higher Education Advisory Council which will contribute to improved policy, highlight Indigenous achievements and contribute to Indigenous employment opportunities in the sector; and Indigenous staffing scholarships which will encourage Indigenous staff to

upgrade their academic qualifications. In addition, a proportion of the proposed learning scholarships will be directed to Indigenous Australian students. These will help remove financial barriers, with eligible students in receipt of both forms of scholarships receiving up to \$6,000 per year.

### **Indigenous Specific Budget measures**

There is to be an increase of \$10.383 million for Indigenous Support Funding (ISF) over 3 years from 2005. The breakdown is \$1.681 million in 2005, \$3.435 million in 2006 and \$5.267 million in 2007 (out turn prices). Institutional eligibility requirements will include evidence of participation of Indigenous people in institutional decision-making processes, existence of an institutional Indigenous employment strategy and evidence of the implementation of enabling strategies for improving participation and completions for Indigenous students. Institutions will be required to report on their expenditure of ISF, including the amount provided to an Indigenous Support Centre.

Funding of \$260,000 per year will be provided for a new Indigenous Higher Education Advisory Council (IHEAC). The IHEAC will advise the Minister and the Department on a range of issues including the Indigenous staffing scholarship awards and develop strategies to increase the number of Indigenous higher education staff. It will convene an annual Indigenous Higher Education Conference which will include discussion of research developments and policy directions, achievements, successful innovations and best practice measures; and present Neville Bonner Scholarships and Indigenous Staff scholarships.

Five national Indigenous staff scholarships will be awarded each year from 2004, each providing, for one year, \$10,400 to cover tuition fees and a non-taxable stipend of approximately \$20,999. The scholarships will enable staff to take one year of leave from their university employment to undertake full-time higher education study in their chosen academic or professional area.

### **Equity measures with a focus on Indigenous students**

Learning entitlement scholarships include Commonwealth Education Costs Scholarships (CECS) and Commonwealth Accommodation Costs Scholarships (CACS). CECS are valued at \$2,000 per year for up to four years and will help lessen the impact of educational expenses at the point of entry to the academic year. CACS, valued at \$4,000 per year for up to four years will help alleviate the burden for students of moving from rural or isolated areas to undertake their studies.