

EDUCATION, SCIENCE AND TRAINING

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

Outcome: 2

Output Group: 2.5 – Assistance for post school students including those with special needs

DEST Question No. E065_04

Senator Stott Despoja asked on 5 June 2003, EWRE Hansard pages 457 and 458

Question:

- a) Would you be able to provide the committee with a detailed examination or outline of the assumptions that have been used in coming up with Table D in *Our Universities: Backing Australia's Future*?
- b) What is the real percentage of contribution by the majority of students – the breakdown by discipline, band and percentage contribution? Is that possible?

Answer:

Estimated average student contribution towards the cost of education

- a) The purpose of Table D in *Our Universities: Backing Australia's Future* is to provide the estimated average student contribution towards the cost of education. The figures for the student contribution as a percentage of total Commonwealth funding as set out in the table were derived as follows:
 - (i) calculating the estimated net HECS liabilities by taking the total estimated HECS liabilities and subtracting the total estimated Commonwealth HECS subsidies (see Addendum 1 below); and
 - (ii) taking the estimated net HECS liabilities and expressing it as a proportion of total operating grant funding, including capital roll-in and other operating resources (see Addendum 2 below).

Addendum 1

The calculation of the estimated average student contribution to the cost of education recognises the Commonwealth's contribution to the system of student contributions through the subsidies involved in HECS. The HECS subsidies that are taken into account in part (i) of the calculations are as follows:

- 25 per cent discount for upfront payers prior to 2005; 20 per cent discount for upfront payers from 2005;
- 15 per cent bonus for voluntary repayments prior to 2005; 10 per cent bonus for voluntary repayments from 2005;
- debt write-downs due to death of the debtor;
- remission of HECS debts in special circumstances; and
- provision for doubtful debt.

Addendum 2

In addition to operating grant funding, other funds that support teaching and learning activities are also included in the calculation of the average actual student contribution. In addition to direct Commonwealth funding per student place, the Commonwealth also provides significant funding for equity, quality, research, innovation, workplace reform and capital development. This funding supports a student's learning experience and cannot be excluded from a true calculation of course costs. The following programme funds are taken into account in part (ii) of the calculations:

- Base Operating Grant

Prior to 2005, base operating grant includes the base funding provided for Commonwealth funded higher education coursework places, workplace reform funding, indigenous support funding, Capital Roll-in, marginal funding estimates, and total HECS contributions.

From 2005, base operating grant includes funding provided through the Commonwealth Grant Scheme, Regional loading, National priority initiatives, and total HECS-HELP contributions.

- Superannuation Grants
- Capital Development Pool
- Teaching Hospital Grants prior to 2005
- Higher Education Innovation Programme (HEIP) prior to 2005
- Scholarship programmes excluding the Australian Postgraduate Awards Scheme
- Funding for equity initiatives
- Australian Education International Funding
- Funding for Open Learning Australia
- Funding for Teaching and Learning initiatives from 2006
- Workplace Productivity Programme from 2006
- Collaboration and Structural Reform fund from 2005
- Funding for Quality initiatives
- Research Training Scheme
- Institutional Grants Scheme less funding that was previously earmarked for Small Grants

- b) It is not possible to break down the calculation of the estimated average student contribution by discipline or HECS band.