

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. E095_04

Senator Carr asked on 5 June 2003

The preceding questions place this question in the context of the phasing out of over-enrolled places.

Question:

- a) Have you discussed this issue with the most seriously affected institutions?
- b) Will the transition fund of \$12.6 million be used to prop them up? But what will happen after 2005, when it runs out? Won't they have an ongoing problem?
- c) Have you talked to Swinburne University about its Lilydale campus? Will that remain viable? How will you ensure that it does? What will Lilydale get from your regional loading?

Answer:

Marginally-funded places

- a) The Department has discussed a range of issues with Vice-Chancellors and other staff who have approached the Department seeking assistance in determining the effects of the reforms on their institutions. The Department is happy to discuss any concerns that institutions may have about this issue as implementation of the new arrangements progresses prior to 2005, and encouraging them to consider the response that will be most suited to the particular circumstances of their institution.
- b) The transition fund was not designed to assist institutions adjust to the required reduction in over enrolled, marginally funded places. It will assist institutions in shifting from the old operating grant arrangements to the new cluster-based funding under the Commonwealth Grants Scheme. The Government has now committed to assisting institutions over a three year transition period, 2005 to 2007. Note that the transition fund has been increased to \$38.6 million over 3 years to ensure that no university will be financially disadvantaged during the transition phase 2005-2007.

Over-enrolments will be phased out over 2005 to 2007 (excluding the two percent allowable under the new arrangements). From 2005, the universities, rather than the Commonwealth, will receive the Higher Education Contribution Scheme payments made by continuing over-enrolled students.

- c) Yes, the Department has spoken to Swinburne University about its Lilydale campus. As for all universities, Swinburne is responsible for management of each of its campuses. The viability of the Lilydale campus will depend on how the University chooses to manage this campus. The Lilydale campus does not appear eligible for funding under the regional loading.