

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. E275_04

Senator Stephens asked on 5 June 2003

Question:

The Government will provide funding from January 2004 of \$122.6 million over four years for the provision of a new loading for regional campuses within the Commonwealth Grants Scheme, as a contribution to the greater costs of delivering education in regional campuses.

- a) How is this proposed regional loading subsidy for regional campuses calculated?
- b) Many regional universities have large numbers of external, or distance education, students. Are these external students counted in the calculation for regional funding?
- c) Are external students more expensive than internal students? If so, why are they not included in the calculation of the regional loading subsidy?
- d) Is the regional loading also intended to compensate regional campuses for their lesser potential to earn income from fee-paying students and commercial partnerships?
- e) If so, to what extent is the regional loading expected to compensate regional universities for this lesser potential to earn income?

Answer:

Regional loading

- a) The proposed regional loading will be paid for internal, domestic, non-fee paying student load at eligible regional campuses. This will include research, postgraduate, undergraduate and enabling course student load. There are four loadings set out in *Our Universities Backing Australia's Future*, 30% for the Northern Territory, 7.5% for distant regional campuses of small institutions (less than 10 000 EFTSU), 5% for proximate regional campuses of small institutions or distant campuses of large institutions (more than 10 000 EFTSU) and 2.5% for proximate regional campuses of large institutions.
- b) External students are not counted in the student load for the regional loading. The rationale for excluding external students was that the regional loading be directed to meeting the costs of the regional campus and not the institutional costs of serving external students, even though they may be counted against a regional campus. A number of institutions have made representations to include these students, arguing that there are costs to the regional campus in servicing these students. Their views are being considered.
- c) There is no agreed view about this. Some universities would argue there are higher costs due to the growth of online support, but other distance education providers would accept that there is a reduction in costs in enrolling external students as they do not require buildings and other campus infrastructure to support their study. Open

Learning Australia has provided distance education through its university partners at lower costs than the costs for internal students.

- d) Yes.
- e) The regional loading will provide substantial funds for those regional campuses that are distant from mainland State capitals to recompense the reduced opportunity to earn income.