

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2004-2005 BUDGET ESTIMATES HEARING

Outcome: 2

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

DEST Question No. E098_05

Senator Crossin provided in writing.

Question:

In a media release of 18th May the Minister proclaims “Record Numbers at University”.

- While some numbers have risen, starting undergrads have declined. How many young Australians with eligibility to start university were unsuccessful due to lack of places in 2004?
- How many undergrads are now full fee paying?
- In Campus Review Vol 14 No 16 of April 2004, it is reported that Prof Bruce Chapman, original designer of HECS, has done a critical appraisal of the new HECS. He “... delivers a scathing commentary on how universities are likely to behave in 2005.” It is reported by Geoff Maslen that Prof Chapman says the new FEE-HELP system of loans is poorly designed, will restrict access of the poor and represents a major regressive step. What plans does DEST have for listening to such critics and reviewing HECS systems?
- It is anticipated that there will be a rapid jump in university charges and the number of students taking out loans. What forward planning is in place to provide more loans if this prediction is correct?
- Prof Chapman suggests it would be better to limit the fees universities can charge but give them more flexibility over the number of places they can offer. What is DEST opinion on this – in principle if not in fact?

Answer:

DEST Plans for reviewing HECS system

1. In 2004 the range of university students who sought and missed out on a university place was 19,200 – 24,300.
2. There were 10,898 domestic undergraduate fee paying students enrolled in 2003.
3. The Government monitors independent research into its programmes and assesses that research on its merit. The Government has no plans to modify the HELP programme at this stage.
4. FEE-HELP loans will be available for all eligible applicants as it is a demand driven programme. Outcomes of FEE-HELP will be monitored and estimates will be updated accordingly.

5. The Government has not imposed a cap on tuition fees, as Professor Chapman recommends. It has maintained fee flexibility for providers. The FEE-HELP limit will help to contain course costs, without placing additional restrictions on providers. It will also help to control the level of debt students incur.