

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 BUDGET ESTIMATES HEARING

**Outcome:** 2

**Output Group:** 2.4 – Funding for higher education

#### DEST Question No. E375\_06

Senator Carr provided in writing.

#### Question:

- a) Are you aware of the views of the ATN universities as expressed in the ATN submission to the House of Representatives inquiry into teacher education?
- b) The ATN has said that the new funding model – in particular the preclusion on charging higher HECS fees in Teacher Education courses – has the potential to undermine the viability and quality of these courses.

Can you confirm that the prohibition on charging the 25% HECS premium is costing universities \$962 per student place? Is the potential loss in total for these universities \$48 million p.a.?

- c) Does the Department agree that education faculties could be said to be especially vulnerable to funding constrictions caused by the level of indexation because they are especially dependent on Commonwealth funding?
- d) What additional measures to provide extra financial support to Education faculties is the Government considering? What additional forms of support does it already provide?

#### Answer:

##### *Teaching places - HECS and Indexation*

- a) Yes.
- b) The maximum student contribution amount for education units of study has been set at the 2004 Higher Education Contribution Scheme (HECS) rate (indexed). Therefore, higher education providers' income from these student contributions has been maintained at 2004 levels in real terms.

- c) The Government does not consider that the current indexation arrangements for higher education funding adversely affects education faculties.

Education faculties (see below) have been major beneficiaries of the Government's *Our Universities: Backing Australia's Future* reforms, which will deliver around \$2.6 billion to the sector over the five years to 2008.

- d) The Government has created a separate funding cluster for units of study in education. The Commonwealth contribution for 2005 was increased from \$6,637 (in 2004) to \$7,294. The \$657 increase per unit (EFTSL) is intended to help education faculties meet the cost of administering the practical component of teaching courses.

This is in addition to the across-the-board increase in the Commonwealth contribution to all Commonwealth supported places, conditional on providers meeting certain requirements. The 2.5% increase in 2005 represents an extra \$178 for each education place, or a total of around \$8 million across the sector. The increase (above the 2004 level) will be 5% in 2006 and 7.5% in 2007 and beyond.

The Government is also increasing the number of Commonwealth supported education places: 1,870 new places were allocated to commence in 2005, including 150 places for private higher education providers. By 2008, there will be about 4,700 new places in teacher education.