

Senate Standing Committee on Education Employment and Workplace Relations

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011-2012**

Outcome 3 - Tertiary, Skills, International and Indigenous Strategy

DEEWR Question No. EW0664_12

Senator Rhiannon provided in writing.

Question

Demand Driven funding

Have you done modelling or how else have you evaluated the potential outcomes of the introduction of demand driven funding? In particular: a. Impact on university budgets and budgeting practices? b. Impact of introducing competition for student places coupled with the drop off in international student fee income?

Answer

The Government has set an ambitious attainment target that by 2025, 40 per cent of all 25 to 34 year olds will hold a qualification at bachelor level or above. It has removed the allocation of student places for bachelor level courses and will fund all places provided by universities in those courses to support achievement of this attainment target.

The Government recognises the need to monitor the demand driven funding system and to adjust it to ensure that Australia gets the education and training outcomes it needs. It is doing this through a range of mechanisms, including:

- mission-based compacts and funding agreements under the Commonwealth Grant Scheme provide an opportunity for the Government to work with universities to align university offerings with business and community needs;
- agencies such as the National Workforce and Productivity Agency and Health Workforce Australia will provide advice on current and future skill needs and how well the higher education sector is meeting these needs; and
- the Department's analysis of university financial statements provides information on university budgeting and financial health, including information on international student fee income.