

Federal Budget 2017/18 Fast Facts Education



What did we deduce?

The Government believes that students have the ability to pay a greater share for their education and across all sectors are reducing funding shifting a greater burden to students/parents. Where the Government has provided loans to students, they want these loans repaid at a quicker rate and the types of courses that are eligible for loans is being reduced.

The key takeouts are:

- Investing an additional 18.6 billion over 10 years.
- Theme is rebalancing of financial contributions from Students, Schools, Universities and Government.
- Movement to a “needs based” funding model which indirectly will result in additional funding for public schools away from private schools. School funding to be linked to reform priority areas to achieve educational excellence particularly literacy and numeracy across the sector.
- A crackdown on funding for vocational education reducing the courses allowed to access the VET FEE HELP Scheme. A new Skilling Australians Fund has been established with \$1.5B over 4 years to fund areas of priority in high demand and Government/Industry initiatives. In addition \$60 million has been allocated to an industry based mentoring service to assist with apprentice completion rates.
- University courses funded by Government grants to be reduced by 2.5% in 2018 and 2019 with Universities permitted to increase student fees to make up a portion of the funding gap via students being required to pay more on average 1.82% (7.5% over 4 years).
- Student debt will be paid back at a faster rate with new repayment thresholds applicable from 1 January 2018. The payment threshold is lowered to \$42,000 with a 1% repayment rate up to \$119,882 where a 10% rate is applicable. From 1 July 2019 all HELP Thresholds will be indexed by CPI instead of AWE (Average Weekly Earnings).

**ShineWing Australia
Budget Rating:**



Federal Budget 2017/18 Fast Facts

Education



- Expectation of continued increase in international student income which currently contributes \$19 billion with a 4% projected increase, primarily from Asia. Given the importance of international students, funding has been allocated for a National Strategy for International Education.
- On a regional basis there are 6 new regional study hubs and a scholarship system to create more pathways into education institutions.
- Additional funding for English Language Programs of between 500 and 1,000 hours per migrant to assist with transitioning into employment opportunities.

What does this mean for you:

Many of the education announcements in this Budget were released early. This ensured that changes, which result in parents paying more for education, were socialised in the media well in advance of Budget night.

The key theme was a rebalancing of funding away from Government to students and education providers, particularly Universities.

There are no clear winners in this years Budget. Universities however are the clear losers. They are receiving less funding with no ability to recoup this from students. There is also a significant shift in funding from the Private Schools to Public Schools via a "needs based" funding model.

There is additional funding for migrant English language and the creation of Skills Funding Programs. This is expected to assist vocational education.

The Education Sector is expected to continue its reliance on the growth of the international student market.

Finally, if you were or are lucky enough to have been educated via a HELP Loan you can expect to pay the loan back quicker.

ShineWing Australia
Budget Rating:

Too
taxing.

Doesn't
add up,
Watson.

Elementary!