

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2015 - 2016**

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ15-000403

Senator Kim Carr provided in writing.

Proposal by Professor Bruce Chapman to discourage inordinately high fees

Question

The department reports that it has met twice with Professor Bruce Chapman and others to examine how a proposal made by Prof Chapman might be put into practice. The proposal went to means to discourage institutions – through financial penalties – from setting inordinately high fees.

Can you provide details of the outcome of this work? What would such a proposal involve? Is it in the department's view a viable option?

Has the Government come to a decision about this? Will such a plan be put in place if the Government's package passes the Senate?

Answer

Professor Chapman has provided an outline of his proposal in a submission (No. 9) to the Committee's Inquiry into the Higher Education and Research Reform Amendment Bill 2014. Professor Peter Dawkins and Dr Janine Dixon of Victoria University have released a paper on a related proposal (Centre of Policy Studies Working Paper No. G-252).

Under these proposals, Commonwealth Grant Scheme subsidies would be reduced in a progressive manner if institutions choose to charge fees in excess of a set threshold. As such, these proposals would result in reduced subsidies to institutions that choose to increase their fees.

The Government has indicated that it intends to bring back the higher education reform package for the Parliament to consider. The Government has not announced any changes to the reform legislation rejected by the Senate on 17 March 2015, and has indicated it remains open to negotiation.