

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. SQ15-000481

Senator Carr, Kim provided in writing.

Higher Education reform

Question

If by 1 January 2016, it remains the Government's stated policy intention but it has been unable to secure the passage of the necessary legislation to implement these policies: Will the Department withhold the average 20% cut to funding per Commonwealth supported place?

Will the Department open up Commonwealth supported place (CSP) funding to non-university providers and/or for sub-bachelor higher education qualifications and if so under what, if any, conditions? Can the Government do this in the absence of enabling legislation?

Will universities be allowed to set whatever tuition fee (student contribution amount) they like for students with a Commonwealth supported place (CSP)? Can this measure be introduced in the absence of enabling legislation/

Will students be allowed to borrow as much as is necessary through HELP to cover their tuition fees (student contribution amounts)?

Whose responsibility, the Secretary of the Department's or the Minister's, will it be to determine whether to withhold the 20% funding cut? If it is the responsibility of the Department, does the Secretary have any discretion over whether to proceed with the withholding of the funding, and if so what criteria would be applied in the exercise of such discretion?

If a university were to increase the tuition fees it charges CSP students from 1 January 2016 on the basis that it remained government policy (even if the necessary legislation had not been passed) would it be breaching the law?

Answer

- a) If the Government has not secured passage of the higher education reforms by 1 January 2016, the department will not withhold the average 20 per cent reduction to the Commonwealth Grant Scheme for the 2016 calendar year.
- b) If the reforms do not pass, Commonwealth supported place funding will not be extended to non-university higher education providers or for sub-bachelor higher education qualifications, and universities will not be able to set their own tuition fees for students in a Commonwealth supported place. These reforms require changes to legislation.
- c) Commonwealth supported students can already borrow the full amount of their student contribution amounts. This would continue to be the case in a post-reform environment where tuition fees are set by providers. If the reforms do not pass students who are using FEE-HELP arrangements will continue to be subject to a maximum limit on their FEE-HELP loans.

- d) A reduction to Commonwealth Grant Scheme funding from the 2016 calendar year would require a change to legislation. The Secretary of the department, or his or her delegate, has responsibility for determining the amount of any advance payment under the Higher Education Support Act 2003. The amount is at the Secretary's discretion, having regard to the conditions applying to specified grants. As indicated above, the department will not proceed with the reduction to Commonwealth Grant Scheme funding unless legislation is passed.
- e) The Government has clearly indicated that its higher education policies, including fee deregulation, are subject to the passage of legislation. Therefore, if a university were to increase the tuition fees it charges Commonwealth supported students above the maximum student contribution amounts specified in section 93-10 of HESA, without passage of the reform legislation, it would be by definition in breach of the law.