

Senate Standing Committee on Education and Employment - Education

**QUESTIONS ON NOTICE
Budget Estimates 2014-2015**

Outcome 3 - Higher Education, Research & International

Department of Education Question No. ED0022_15

Senator Carr provided in writing.

Question

University fee deregulation - UK trends

Is the Department aware of a broadcast on ABC News Radio of an interview with Prof Peter Davies, from the Centre for Higher Education Equity and Access at the University of Birmingham? He said that, far from increasing competition, university fee deregulation has simply led to all universities steeply increasing their fees; and that, where prices differ, students tend to disregard this fact and make their study choices based on other factors. Can you explain the Department's thinking, in the light of trends in the UK?

Answer

Professor Davies was talking about the experience in the UK where both student fees and student numbers are capped. As noted in the recent Kemp-Norton Review of the Demand Driven Funding System, when the market is constrained in this way then genuine price competition cannot occur and universities will tend to charge the legal maximum.

The situation in Australia will be quite different under the Government's proposed reforms which do not propose to cap numbers or fees.