

Australian Catholic University Submission

**Senate Inquiry into the Higher
Education Support (Charges) Bill
2018 and the Higher Education
Support Amendment (Cost
Recovery) Bill 2018**

October 2018

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Australian Catholic University (ACU) appreciates the opportunity to make a submission to the Senate Education and Employment Legislation Committee inquiry into the provisions of the Higher Education Support (Charges) Bill and the Higher Education Support Amendment (Cost Recovery) Bill 2018 (Bills).

The Bills propose to introduce cost recovery measures with respect to the higher education loan program (HELP). It is, at the outset, important to reflect that the HELP scheme was designed with the objective of supporting educational access in Australia, by removing the up-front cost barriers to higher education through the provision of income contingent loans; this has also encompassed its administration. The HELP scheme has been, and continues to be, pivotal to opening up access to higher education to millions of Australians, many of whom might otherwise not have such an opportunity.

The Bills make provision to: 1) introduce an annual levy (a new tax) on higher education providers whose students receive HECS-HELP or FEE-HELP assistance under the *Higher Education Support Act 2003*, for the Government to partially recover HELP scheme administration costs; and 2) set an application fee on prospective FEE-HELP providers to fully recover the costs of the application process.

ACU observes that the provisions in these bills have been instigated to support the Government's cost-saving agenda in the higher education portfolio. **ACU does not support these bills, and calls on the Senate Committee to recommend their rejection**, particularly in light of the following:

1. *The university sector has already borne significant cuts to critical funding imposed by the Government.*

Since December 2017, \$2.2 billion in Commonwealth funding has been cut from the higher education sector, announced in the Mid-Year Economic and Fiscal Outlook (MYEFO) last year.

2. *Australia's higher education system, and the economy more broadly, cannot afford to have additional university funding diverted away from teaching, learning and research.*

The proposed new tax will place further financial burden on Australia's universities, many of which are already battling to maintain the ongoing quality and international reputation of the nation's higher education system.

The Government's funding cuts to the higher education sector have already resulted in around 10,000 student places going unfunded in 2018.¹ The cuts have also forced universities to discontinue courses and placed pressure on small, regional campuses and student support services. These include courses in areas of critical workforce need, including Health and Education.

Any further financial imposition on universities would only continue to undermine the very principles of broad student access and opportunity that the HELP scheme is designed to facilitate. The latest university applications data is testament to this reality, with 2018 data revealing that applications to

¹ Universities Australia, 'Almost 10,000 Student Places Unfunded as Uni Offers Go Out'. 17 January 2018.

Australian universities from students from all equity groups have fallen, reversing much of the progress made with respect to equity and access in recent years – particularly under the demand driven funding system.²

3. *There has been no public consultation on the proposed cost recovery measures, and no detail provided on the amount and basis of the proposed charges.*

ACU notes that these reforms were first announced as part of the 2018-19 Federal Budget. Subsequent to this announcement, the Government advised that it would “consult with the higher education sector” on a Cost Recovery Implementation Statement, including on the amount and basis of the proposed charge. However, no such consultation has taken place. This remains the case despite the introduction of these bills in Parliament in September 2018.

Recommendation

ACU recommends that the Senate Committee:

- **oppose the bills in their entirety;**
- **recognise the negative impact on Australian universities of funding cuts in 2018 and 2019; and**
- **acknowledge the lack of public consultation and timely information with respect to the proposed new tax on universities.**

² Universities Australia, ‘Media Release: Uni Applications Down Slightly: New Figures’ (28 October 2018).