



2 November 2018

To: The Senate Education and Employment Legislation Committee
Re: Submission in regard to the proposed Higher Education Support (Charges) Bill 2018 & Higher Education Support Amendment (Cost Recovery) Bill 2018

Dear Committee Members,

Avondale College Limited Submission

In general Avondale College Limited (t/a Avondale College of Higher Education) does not oppose the legislation to implement provider charges. We consider that it is reasonable for the Government to recover the costs of administering the HELP schemes. However, we maintain that the Government itself (through appropriate allocations) should also contribute a share to the cost of administering and regulating the higher education sector. After all, the higher education sector itself makes a substantial contribution to the Australian economy as a major employer and through the highly valuable education export industry. The proposed legislation could be amended to indicate the percentage of cost recovery that is being imposed on the higher education institutions and the percentage contributed by Government.

The proposed legislation gives no indication of the differences between institutions in terms of provider authority, or whether public or independent. It should be noted that there are already, for instance, very great disparities between the public sector and the independent higher education sector. For example, Government does not provide financial support in terms of infrastructure or research to the independent providers. In other words, the public sector is already receiving very substantial support from the Government, and (in general) we have no argument with this. It is as it should be, but to impose the same levy on both public and independent institutions is to exacerbate the present inequities placed on students in independent providers.

Our primary issue with this proposed legislation is that it is part of what appears to be a "piecemeal" approach to higher education reform. We would be more inclined to support it wholeheartedly if Government were to abolish the 25% FEE-HELP loan fee that is imposed primarily on students in independent higher education institutions. It was regularly acknowledged by the previous Minister for Education that this fee is inequitable for students studying the same degrees in independent providers as those in public providers. This legislation increases this inequity with both providers (through the charges) and students (through the FEE-HELP loan fee) paying the costs of the FEE-HELP scheme.

It is obvious that increased costs to higher education providers such as those proposed in the legislation under consideration will be to be funded from somewhere. And, generally that means an increase in student tuition fees. The irony, of course, is that the increased costs will also mean increased levies to Treasury via the 25% loan fee from students in independent providers.

Thank you for considering our perspective in regard to the proposed legislation. Should you require further information in regard to this Submission, do not hesitate to make contact with me

Yours faithfully,

~~Professor Ray C W Roennfeldt~~
President