

Senate Education and Employment Legislation Committee

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

Submission from the University of Canberra

November 2018

The University of Canberra welcomes the opportunity to provide a submission to the Committee's Inquiry into the *Higher Education Support (Charges) Bill 2018* and the *Higher Education Support Amendment (Cost Recovery) Bill 2018*.

The Higher Education Loan Program (HELP), and before it the Higher Education Contribution Scheme (HECS), has enabled millions of Australian students to obtain a university qualification without up-front tuition fees. This transformative public policy has contributed to the expansion of the Australian Higher Education system over the last 30 years.

The University of Canberra values HELP and recognises the benefits it has provided to students and the Australian economy and society more broadly.

In introducing these Bills, the Australian Government now seeks to partially recover its costs of administering HELP by charging higher education providers.

The University of Canberra acknowledges that there are costs associated with administering HELP.

The University already contributes to a great share of these costs and does not believe that universities should be responsible for any additional charges of administering HELP.

The University of Canberra opposes the proposed charges and cost recovery measures and recommends that the Senate reject the Bills.

The University of Canberra

The University is incorporated under the University of Canberra Act 1989 of the Australian Capital Territory.

It is committed to serving the people of Canberra and the region through professional education and applied research.

The University of Canberra is ranked among top universities globally by both Times Higher Education (THE) and QS World University Rankings and appears in the 2018 THE rankings as one of the top 100 universities under the age of 50 years and one of the top 100 universities in the Asia-Pacific.

The University of Canberra's Strategic Plan 2018-2022, *Distinctive by Design*, provides an ambitious blueprint to position the organisation as a sector-leading university for the professions, guided by the principles of entrepreneurship, innovation, equity and diversity.

Proposed charges and cost recovery

The Charges and Cost Recovery Bills introduce two measures to partially recover the Australian Government's costs of administering the Higher Education Loan Program (HELP):

1. An annual tax on higher education providers whose students receive a Commonwealth assistance through HELP
2. An application fee for higher education providers seeking to enrol students who receive Commonwealth assistance through FEE-HELP

The University of Canberra writes to the Committee concerning the first measure. The University of Canberra already has access to FEE-HELP and is less concerned about the second measure.

The University of Canberra opposes the proposed charges and cost recovery and does not support the Bills. The University of Canberra raises the following concerns regarding the proposal to tax higher education providers whose students receive assistance through HELP:

Publicly funded universities

As a Table A provider, the University of Canberra receive a large proportion of its revenue from the Australian Government. This includes funding under the Commonwealth Grant Scheme (CGS) with maximum student fees set by the government. It makes no sense for the Government to claim back a small part of this funding by charging universities.

Costs of administering HELP

The University of Canberra acknowledges that there are costs associated with administering HELP.

The University already contributes to a great share of these costs through liaising with government departments, provision of HELP information, publication of printed and online materials, managing student enquiries and advice, recording and verifying student records, and compliance reporting to the Department of Education and Training through the Student Data Collection.

The University does not believe that universities should be responsible for any additional costs of administering HELP.

Commonwealth loans

Under the Higher Education Loan Program eligible domestic students may defer all or part of their student contribution fees by borrowing from the Commonwealth. Students who choose to do so have their student contribution fees paid to the University by the Commonwealth and a HELP debt raised with the Australian Taxation Office (ATO). Loans under HELP are a transaction between the student and the Commonwealth with payments recovered through the Australian tax system. Universities assist students and the Australian Government by facilitating these transactions. While the University of Canberra does not endorse it, a loan fee would be more appropriate than a tax on universities.

Recommendation

The University of Canberra recommends that the Senate rejects the Bills.