

SENATE EDUCATION AND EMPLOYMENT COMMITTEE
Higher Education Support Legislation Amendment
RESPONSE TO QUESTIONS ON NOTICE



1. *How does this bill aligned with ACCI's previous statement that higher education should be driven by returns and benefit to society?*

There is direct alignment. Although the role of higher education is critically important, the falling employment outcomes and increasing underutilisation of skills indicate that the increased participation in higher education is not delivering the returns to the same proportion of graduates as previously. The Bill provides a signal that the investment made by the government on behalf of the taxpayer is not without bounds, and should always be informed by the outcomes being achieved. As stated in our oral evidence, most stakeholders have in common a commitment that to an uncapped demand driven system, but this needs to be constantly reviewed by the evidence. The medium term outcomes as measured by longitudinal data for students coming through the system now (which will be clearer in 3 to 5 years) may demonstrate that their expectations for careers and salaries are being met, even though the short term outcomes have fallen. On the other hand, the medium term outcomes may fall short of their expectations as well as indicate that "benefit to society" has not matched the investment. This Bill injects some fiscal responsibility that reflects the declining outcomes, and allows further time to ensure that the overall direction of higher education policy is providing the returns and long term benefit to society that we all agree is important.

2. *Does Australia's low – and declining - level of public contribution in higher education make us less competitive globally?*

Competitiveness is measured by outcomes not inputs, and those outcomes are achieved if both the public and the private contribution to higher education are being targeted to the skills needs of the economy. This is best achieved by ensuring that the market is well informed by where the jobs are, and also that providers are delivering high quality, industry informed education and training that is meeting the needs of a modern economy.

3. *Does ACCI have a view about the impact changes to HELP re-payments might have on women's participation in the labour market?*

As the rates of repayment at the lower threshold amounts start at only 1 per cent, the disincentive to work should not be significant. Although graduate and household circumstances differ, it is possible that a low contribution to begin with will encourage as many to increase their workforce activities as may be discouraged on the basis that it promotes the clearance of the debt earlier.

4. *What is your assessment on the regulatory impact of this bill?*

As the Australian Chamber is not a higher education provider, this is not a question we can readily answer. Certainly, as a matter of strong principle, we are committed to working with government to cut red tape across the economy, but we cannot comment further on the detail of the regulatory impact of the Bill.