

## **Submission to the Senate Education and Employment Committee Inquiry into the Higher Education and Research Reform Bill 2014**

**20 February 2015**

### **Overview**

We have previously highlighted that the Council of Private Higher Education (COPHE) seeks equity, choice and diversity in higher education.

We remain strongly of the view that the reform legislation will provide more equitable treatment for students, a wider choice in courses, and expanded diversity of institutional types in Australian higher education.

We would further observe that most of the reforms proposed in the legislation have been raised in the recommendations of multiple reviews since as far back as the late eighties. It is clear that the current higher education system is unsustainable and from the perspective of students outside of the public university sector, highly inequitable.

COPHE appreciated the opportunity to provide evidence to the Senate Education and Employment Committee Inquiry. COPHE's submission supported the original Bill in its entirety except for Schedule 3 relating to the interest rate on loans where we, along with everyone in the sector, proposed retention of the Consumer Price Index.

We appreciate that the Committee Inquiry accepted this change in the majority report and are pleased that the Higher Education Research and Reform Bill 2014 proposes retention of CPI as the indexation rate for HELP debt.

We also support the introduction of the indexation relief arrangements for primary carers of children aged under five noting that the HELP debts for them will not be indexed under existing arrangements while they are earning under the minimum repayment threshold.

As in previous submissions COPHE has made to the Senate Committee, we support the legislation. There is limited value in repeating what has already been said.

### **Commentary on Reform in the Current Higher Education Environment**

In the context of commentary being almost totally focused on public universities, speculation of potential price gouging by universities and massive scare campaigns about \$100,000 degrees, despite evidence to the contrary, we present the following simple table which demonstrates the inequity in the current environment for students who enrol with providers that are not public universities.

Students choosing private providers, now nearly 10% of higher education enrolments, do so because they deliver better outcomes for particular students, often in niche areas or through smaller teaching cohorts. To continue to discriminate against them surely goes against the principle of equitable access that underpins our higher education system, and indeed, civil society.

		<b>HECS Debt Public University Student*</b>	<b>HELP Debt Private Provider Student #</b>
<b>Education</b>	Bachelor Degree 4 years	\$24,608	\$60,800 - \$79,000
<b>Humanities</b>	Bachelor Degree 3 years	\$18,456	\$45,600 – \$59,850
<b>Social Science</b>	Bachelor Degree 3 year	\$18.456	\$45,600 – \$55,800
<b>Business</b>	Bachelor Degree 3 year	\$30,799	\$45,600 - \$55,200

*\*2015 costs to student for a degree assuming all units are in the same field – Commonwealth Website*

*# 2015 costs at the lower end through to the mid-range including the 25% loading paid to the Commonwealth. There is no Commonwealth subsidy (CSP) currently available for these students.*

The table above highlights inequities which would not be tolerated in other sectors and has been largely ignored in the public debate.

In our previous submission we indicated that our Members would pass on student support received through implementation of the reforms.

The extension under Schedule 1 of Commonwealth Supported Places (CSPs) to students at private universities and non-university higher education providers (NUHEPs) is therefore critical, together with the implementation of a single loan scheme to all higher education students.

The extension to sub-degree programs (diplomas etc.) which will encourage those students progressing through these pathways, including many from disadvantaged and low SES backgrounds must also proceed as a matter of good policy. It is a far better solution for the student and the taxpayer than encouraging academically underprepared students to tackle a bachelor degree.

Research indicates that students entering second year of a bachelor degree after a pathways diploma have significantly lower drop-out rates.

Both the measures mentioned above, if passed, will remove anomalies and inequities in current funding, enable greater student choice and promote desirable sector diversity.

Fairness demands that all students are treated the same, irrespective of their choice of accredited provider, to produce a healthy diversity in the higher education sector, one that is responsive to the needs of students and employers and with its quality assured by a single national regulator, the Tertiary Education Quality and Standards Agency (TEQSA).

We urge Senators to approve the legislation recognising the need for a sustainable system and one that addresses equity in the treatment of students.

## **CONTACT DETAILS**

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