



Higher Education and Research Reform Amendment Bill 2014
Submission from The University of Notre Dame Australia
19 September 2014

In response to the Inquiry into the provisions of the Higher Education and Research Reform Amendment Bill 2014 (the Bill) referred by the Senate to the Education and Employment Legislation Committee,

The University of Notre Dame Australia makes the following submissions:

1. THE EXTENSION OF THE STUDENT DEMAND DRIVEN SYSTEM

Provide demand-driven funding to diploma, advanced diploma and associate degree courses.

The University of Notre Dame Australia expresses its support of the amendments in the Bill which will open up the demand driven funding to diploma, advanced diploma and associate degree courses. The major benefits of extending government funding for these qualifications are: (i) these are valuable qualifications in their own right, which confer benefits on the individuals who undertake them and society more generally and (ii) they provide excellent alternative pathways for people to progress into further education.

Extend government subsidies to bachelor and sub-bachelor courses at private universities.

The University of Notre Dame Australia expresses its strong support of the amendments in the Bill which will extend the government subsidies to all recognised universities in Australia, (defined herein as private).

The current system of funding, first introduced in 2012, is not a true “Student Demand Driven system” in so far that neither the government subsidies nor the HECS-HELP scheme flow to those students who choose to attend a university other than a historically defined public university (with some exceptions). Government invests in higher education because there is clear evidence that there is a public benefit from having an educated population. All universities in Australia, public or private, are not for profit organisations, which meet the same quality standards, engage in the same functions (teaching, scholarship, research, community engagement) and contribute the same level of public benefit to the wider community. As such, the justification for providing government subsidies is equally applicable to all universities.

At the present stage, those students whose preference is to attend a university which is not subsidised by government and for which no CSPs are available face additional financial burdens in making that choice (eg, with the 25% loan fee imposed under the current FEE HELP scheme). There is no doubt that this additional financial impost does impact upon the ‘realness’ of a student’s freedom to choose.

The University of Notre Dame Australia is a unique University within the Australian context. As a University currently classified as a Table B Provider in the Higher Education Support Act (HESA), the University has been granted a significant number of Commonwealth Supported Places (CSPs) over the preceding years, such that we currently have a ‘fixed funding model’ which allows the

University to offer CSPs to approximately half of its domestic undergraduate students. The University has also been provided various capital grants over the preceding years to support its educational undertakings.

The support from successive governments over the last 25 years has been significant and much appreciated by the University and the students who have been the direct beneficiaries of this support. However, the limitation of the current fixed funding model is that the University does not fully participate in the Demand Driven System and close to 50% of its domestic undergraduate students pay full fees, with access to the FEE-HELP scheme. While UNDA has maintained a domestic student fee policy based on principles of 'just access', the reality is that students who seek to study at Notre Dame without access to a CSP face an additional financial impost which undoubtedly impacts upon their choice.

The primary benefit from allowing UNDA to have full access to the student demand driven CSP system will flow to those students who seek to undertake their university studies at UNDA. They will have choice that is not undermined by the prospect of facing an additional financial impost for exercising their choice and (subject to the comments below on the proposed replacement of the CPI indexation of HELP loans with the 10 year Government bond rate) they will have less debt when they complete their studies.

The University will benefit in the following ways:

- 1) UNDA will be able to continue to offer and continue to improve the educational offerings, facilities and support services it offers to students while maintaining its Fee Setting Policy of providing 'just access'.
- 2) It will provide additional recurrent financial support to UNDA without further impost on students, which is determined fairly and transparently by reference to enrolments, and which will be fully accounted for in accordance with Government requirements.
- 3) It will allow UNDA to allocate additional funds to areas of need.

Extend government subsidies to bachelor and sub-bachelor courses at non-university higher education providers.

For similar reasons expressed in the point above, The University of Notre Dame Australia is supportive of the amendments in the Bill which will extend the current Demand Driven system to all bachelor and sub-bachelor courses at non-university higher education providers (NUHEPs) which are registered at TEQSA. We believe that this will increase competition, diversity and real choice for students and that quality will be maintained through the requirement of TEQSA registration.

Given that NUHEPs are not required to fulfil all standards and requirements of universities (such as research and community engagement) it is right that the level of funding provided to NUHEPS is at a lower rate than that which is provided to universities.

2. FEE DEREGULATION

Remove the maximum student contribution amounts that providers can charge students in Commonwealth supported places: Fee Deregulation.

The University of Notre Dame Australia expresses its strong support for fee deregulation. While there is speculation that such deregulation will result in student fees rising to extreme levels, the

University is of the opinion that the increased competition, coupled with socially responsible and accountable decision making by providers themselves, should act as a fetter on excessive fee increases across all universities. The fact that fee deregulation may result in significant diversity in fees being charged between universities does not mean that the quality of the system as a whole will suffer. Indeed, it may well improve quality as providers seek to focus and invest more in areas of speciality.

While the University is strongly supportive of fee deregulation, it nonetheless expresses its concern that this is being done in the context of overall cuts to the level of government funding. Notre Dame is opposed to cuts of any kind, and would strongly urge the Government to reconsider reducing its investment in higher education in Australia. The public benefits of having an educated population are well documented and justify sustaining the current level of government investment.

In the event that some cuts are implemented, Notre Dame supports the new tiers and formula contained in the Bill. The Government's formula takes into account two vital factors; the future earning capacity of graduates per discipline and the cost of delivery of each discipline. If a 20 per cent flat cut were to replace the formula currently provided in the Bill, low-earning, high social value professions like nursing and teaching, would be grossly disadvantaged as against high-earning professions with high delivery costs.

Establish a Commonwealth Scholarship Scheme to support disadvantaged students.

The University of Notre Dame Australia supports the establishment of measures to ensure that disadvantaged students are encouraged and assisted to engage in higher education. The University supports the establishment of a scholarship scheme, provided that it is run by the institution (with required accountability and reporting) and which has sufficient flexibility to allow the institution to design support programs which are appropriate and applicable to its circumstances.

3. THE STUDENT LOAN SCHEMES

Merge the FEE-HELP and HECS-HELP loan schemes, including the removal of the FEE-HELP loan fee.

The University of Notre Dame Australia expresses its strong support for the merging of FEE HELP with HECS HELP and the removal of the FEE HELP loan fee. As is noted above, the current difference between the two schemes is not justified in a true Student Demand Driven system.

Replace the CPI indexation of HELP loans with the 10 year government bond rate.

The University of Notre Dame Australia is strongly concerned about the proposed changes to the indexation rate on HELP loans. The University believes this will disproportionately hit those graduates who enter comparatively low income positions post university (eg teachers and nurses) and women (and increasing numbers of men) who take time out from paid employment to raise children. The University urges a reconsideration of these changes.

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