22 September 2014

Ms Julia Agostino
Secretary, Senate Education and Employment Legislation Committee
E: eewr.sen@aph.gov.au

Dear Ms Agostino,

Thank you for the opportunity to make a submission to the Education and Employment Legislation Committee regarding the provisions of the Higher Education and Research Reform Amendment Bill 2014. The University of Queensland is in support of the Group of Eight (Go8) submission. However, we make the following additional comments.

The University of Queensland is constrained in its ability to run a world class university on the funding available through tuition fee income set at the current levels. This is especially so because research funding in Australia has been severely impacted in real terms, including from the reduction in the deferral of growth in block funding. As a result, research intensive universities are required to cross-subsidise research activity from tuition fee income.

Most research intensive Australian universities have now arguably reached capacity in terms of size. Currently, we support domestic students and our research effort through the fees paid by international students (eg $30K + for international students vs $12K for domestic students in Business, Economics etc). In the absence of deregulation, it is likely we would have to prioritise access of international students over that of domestic students in order to stay world-class. This is partly because available physical capacity now is used fully and additional growth without capital for infrastructure is not possible. It is not unthinkable that research intensive universities will consider moving from international students being additional to domestic students to a situation where they would be higher yield alternatives to domestic students. Without fee deregulation we could therefore see a situation where we deprive Australians the right to access services they are prepared to pay for.

Yours sincerely

Professor Peter Høj
Vice-Chancellor and President

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