Inquiry: Higher Education and Research Reform Amendment Bill 2014

Open Universities Australia (OUA) is the leader in providing open and flexible access to quality online higher education. For over 20 years OUA has revolutionised the study possibilities for Australians, empowering students to develop their own personal study experience—without having to change their lifestyles.

OUA provides access to more than 1700 units and 180 courses taught by more than 15 leading universities around Australia. It is a platform which gives students the opportunity to select from the best courses and tertiary qualifications available in Australia. With the academic provider awarding all studies and degrees, OUA students graduate with the same academic standards and same qualification as their on-campus counterparts.

Enrolling more than 250,000 students from 189 countries since 1993, OUA does not have a ‘typical’ student. Students range in age from 14 to 94, with some studying a single unit and others tackling a complete degree. OUA students fit their study around their lives, their careers, their geographical locations or their family commitments.

OUA is strongly committed to developing smarter ways of delivering quality education and achieving the best possible student outcomes. In the current environment, all too often there is a disproportionate amount of energy spent on research outcomes, at the expense of better teaching and student outcomes. As outlined below, elements of the Bill will go a significant way toward achieving better outcomes for Australian students.

Providing demand-driven funding to diploma, advanced-diploma and associate degree courses and extending government subsidies to bachelor and sub-bachelor courses at private universities and non-university higher education providers:

The proposed extension of funding to sub-bachelor courses and non-university providers, as outlined in the Bill, will give OUA and other non-university providers the opportunity to provide better quality education for tertiary education students at a lower cost. This is partly because of the lower focus on research, but also because of more nimble cost structures and in our case, a lack of expensive on-campus infrastructure.
OUA sees a clear opportunity to provide a higher quality offering to tertiary students across a range of courses through our online teaching platform. With students having greater power to vote with their feet due to increased choice, many universities and non-university higher education providers will have to increase the quality of their tertiary education offering if these changes are legislated. Institutions which are looking to increase their market share will have to compete on both quality and price. In addition, quality standards would also be protected by the Tertiary Education Quality Standards Agency (TEQSA).

We would like to bring what we have learned from our innovative Open2Study platform, a free preview for students of what it might be like to study in a format that is designed for optimal online learning rather than retrofitting a traditional degree for online use, to deliver world leading bachelor and sub-bachelor degrees that will benefit students both in Australia and around the world.

OUA notes that the current Bill doesn’t have provision for purely online institutions, but allowing purely online private providers to access to government subsidies would likely further drive down prices and increase competition due to the scale, and lower infrastructure costs involved.

**Removing the maximum student contribution amounts that providers can charge students, including in Commonwealth supported places:**

OUA acknowledges that some course fees will likely rise in a deregulated and competitive market. However, we are confident that for numerous courses, deregulation of fees will also lead to a significant decrease in the cost of tuition.

The potential for fee reductions will be magnified if competition from non-university providers is allowed. By reducing the cost to students in a deregulated environment, the funding cost to Government will also decrease. The incidence of unrecoverable debts may well also decrease and the burden on individual students is potentially lowered.

We would also note that an increase in quality does not necessarily mean higher cost. Similarly, lower pricing would not necessarily signal a reduction in quality. We are concerned that in the current debate price is becoming a proxy for quality and in our view this is definitely not the case.

**Merging the FEE-HELP and HECS-HELP loan scheme, including the removal of the FEE-HELP loan fee and lifetime limits:**

OUA welcomes the proposed abolition of the lifetime limits. This is not because we want students to be burdened with greater amounts of debt; rather, in our experience private providers have viewed this limit as a pseudo signal on how much they can charge. The abolition of the cap will force providers to think about pricing in a different way and may actually have a downward impact on prices.
Impact of not embracing the reforms:

Australian tertiary education is operating in an increasingly globalised marketplace. A sustainable and efficient tertiary education system could be exported worldwide, noting that in the Asian Century the demand for quality education will only increase. This is especially the case for online tertiary education, where it wouldn’t make any difference if the student was in regional Australia or Singapore to the quality of education they were receiving, as well as the level of support provided.

Without these reforms, our universities may not take the necessary steps to innovate and provide world-class online education offerings. However, the online tertiary education revolution has already commenced. If Australian providers are not given the framework in which to compete, multinational players will undoubtedly fill the breach.

Regardless of where students live, they already have access to OUA courses. We are proud that already we are helping to sustain regional communities by ensuring people don’t have to necessarily move away to study. And by keeping people in their local communities, we are helping to address issues such as productivity and youth unemployment that are significant challenges, particularly in regional Australia. OUA will continue to offer courses online, regardless of whether these reforms pass. However, the reforms would provide us with the means to provide the quality offering we see as deserving for Australian students.

Open Universities Australia (OUA) thanks the Senate Education and Employment Legislation Committee for providing the opportunity to comment on the Higher Education and Research Reform Amendment Bill 2014.

Yours sincerely,

Paul Wappett
Chief Executive Officer