



**Submission to:** Senate Education and Employment Legislation Committee

**Inquiry:** Higher Education Support Legislation Amendment (A More Sustainable, Responsive and Transparent Higher Education System)  
**Bill 2017**

### **The Council of Private Higher Education (COPHE)**

COPHE represents 50 private higher education providers (including private universities) with 80 campuses across Australia. COPHE members are both for profit and not-for-profit institutions and educate domestic and international students in undergraduate and postgraduate programs.

COPHE holds a unique position within the higher education sector as a representative peak body of higher education providers only. Whilst some members are dual sector, only the registered higher education entity affiliates through COPHE membership.

Membership of COPHE is only open to providers that are registered with the Australian regulator – Tertiary Education Quality Standards Authority (TEQSA). Membership is also conditional on continued compliance with COPHE's *Code of Good Practice*.

**COPHE's primary goal is promoting equity, choice and diversity for all Australian higher education students.**

### **The Higher Education Support Legislation Bill 2017**

**The Bill amends HELP loan repayment thresholds without implementing equity for all Australian higher education undergraduate students. As a result the Bill continues the disadvantage and creates longer term debt for students of private higher education providers.**

**COPHE proposes amendment of the Bill to ensure it applies equally to all Australian higher education students.**

The Bill before the committee amends the HESA Act provisions of HELP student loan schemes and repayment thresholds. It is these elements of the Bill that COPHE submits need further amendment to ensure students are treated fairly and equitably.

Current income contingent loan schemes are applied inequitably to higher education undergraduate students on the basis of the type of provider they are enrolled with. Students enrolled in a course which is not subject to Commonwealth support, are levied with a loan fee that adds a 25% surcharge to their debt. Students enrolled in a course subsidised by the Commonwealth are not charged this fee.

The inequity of this is stark - students undertaking education that is not subsidised by the Commonwealth are burdened with greater debt than students undertaking education that is subsidised by the Commonwealth.

### **Equity | Choice | Diversity**

## Student Loan Scheme Inequity

**The current student loan scheme is inequitable and entrenches disadvantage through creating student debt levels that are greater than course costs and applied only to undergraduate students of private providers.**

**This inequity manifests through increased debt creating longer repayment profiles and associated impacts on post study financial independence.**

Under the current student income contingent loan schemes:

1. Domestic undergraduate **students at public universities**:
  - Receive a Commonwealth Supported Place (CSP) - sometimes referred to as 'HECS' - which means the Commonwealth pays a proportion of the student's tuition fees) AND
  - Can also access a 'HECS-HELP' loan to finance the remainder of their fees (the 'student contribution')
  - There is no loan fee for HECS-HELP loans
  
2. Domestic undergraduate students **at non-public higher education institutions** (including the private universities – Bond, Torrens and Notre Dame):
  - Must pay the full fee for tuition charged by their institution
  - Can access a Fee-HELP loan
  - Must pay a 25% loan fee if they take out a Fee-HELP Loan to finance the cost of their studies
  
3. The additional cost to students who choose to study at non-public higher education institutions is significant.

The example in Table 1 below shows the cost to the student of undertaking a 3 year undergraduate degree in social science and is based on 2017 data drawn from the website of a typical private provider compared to the cost to the student of an equivalent Commonwealth-subsidised course at a public university.

Table 1: Cost to student comparison (2017 data)

Institution	Commonwealth subsidy (per annum)	Student contribution (per annum)	Income to the institution (per annum)	Loan Fee	1 year cost to student (inclusive of the loan fee)	3 year cost to student
Public University	\$10,278	\$6,349	\$17,177	0%	\$6349	\$19,047
Private Provider	\$0	\$16,416	\$16,416	25%	\$20,520	\$61,560

4. The above table shows a loan fee to the student of \$4,104 per annum, with the loan fee adding \$12,312 to student debt over the three year course duration

5. The private provider student receives no Commonwealth subsidy and meets the full cost of his/her education. As a result of choosing an education that does not attract Commonwealth subsidy, when accessing FEE-HELP support, the Commonwealth levies the private student \$4,104 per year more than the annual course costs.
6. This inequity manifests through burdening students with increased debt, in turn creating longer repayment profiles and associated impacts on post study financial independence.

### Private Higher Education Providers – Student Experience

**Like all students, those who choose to enrol with a private provider seek an education program that:**

- **Is registered and accredited under the same quality standards as public universities**
- **Offers an academic program that meets their educational needs**
- **Delivers high quality educational experience and teaching quality**

**The additional debt incurred by students making this choice compounds the inequity and unfairness of the current student loan scheme**

7. Australian private higher education providers are regulated, registered and accredited by the same regulator and legislation as public universities.
8. The single national regulator gives students confidence that their provider delivers educational services subjected to same quality standards as all providers.
9. Private providers whilst attracting no government subsidies are acutely focused on student choice and demand. Private providers need to offer courses and a student experience that meets students' academic needs and value proposition.
10. COPHE surveying of its members indicates many reasons why students choose to enrol with our members. There are two main reasons identified by students
  - Course Offerings
  - Learning Experience

#### Course Offerings

11. Students commonly report that institutions and courses provided by COPHE members are: not available through publicly funded universities; have limited public university places; have a specific focus that meets a vocational choice; or, have specific industry connections.
12. COPHE members provide courses in Art and Design, Music, Hospitality Management, Law, Engineering and Business.
13. COPHE members include providers of theological and faith based educational programs including undergraduate, postgraduate and doctoral programs
14. A key function of the private sector in the delivery of higher education in Australia is to provide courses not available through public providers to relieve pressures on the public sector and provide students with greater choice.

Learning Experience

15. Whilst not applicable to private providers, COPHE welcomes the inclusion in this Bill of a component of Commonwealth grant funding to public universities being performance based on teaching and learning.
16. Students enrolled with COPHE members report teaching experience, including small group learning, as a key component in choosing their education provider.
17. COPHE members and private providers generally, are ranked very highly by students on QILT teaching quality indicators.
18. In fact a prospective student who today sought to enroll with an Australian provider ranked in the top 20 on the Commonwealth's 'Quality Indicators of Teaching and Learning' (QILT) scores for teaching quality would find that the first 18 institutions are private providers.

**Table 2: QILT Rankings – Top 20, Education Experience; Teaching Quality**

Provider	Overall Quality of Educational Experience		Provider	Teaching Quality
Campion College	96.8	1	Adelaide College of Divinity	98.3
Australian College of Christian Studies	96.7	2	Campion College	96.8
Adelaide College of Divinity	94.9	3	Tabor College Adelaide	95.1
Photography Studies College, Melbourne	92.4	4	University of Divinity	94.9
Marcus Oldham College	91.5	5	Photography Studies College, Melbourne	94.9
Adelaide Central School of Art	91.2	6	Adelaide Central School of Art	94.1
Tabor College Adelaide	91.2	7	Christian Heritage College	93.6
Christian Heritage College	91.1	8	Australian College of Christian Studies	93.3
Bond University	90.2	9	Marcus Oldham College	93
The University of Notre Dame Australia	89.8	10	Macleay College	92.7
Eastern College Australia	88.8	11	Eastern College Australia	92.5
Macleay College	88.6	12	Bond University	92.4
University of Divinity	87.7	13	The University of Notre Dame Australia	90.3
Australian College of the Arts (COLLARTS)	86.9	14	Excelsia College	89.8
Avondale College	86.8	15	Australian College of the Arts (COLLARTS)	89.6
Asia Pacific International College	86.7	16	Alphacrucis College	89.5
Edith Cowan University	86.1	17	Montessori Institute	89.2
Alphacrucis College	86.0	18	Avondale College	88.5
University of the Sunshine Coast	85.8	19	Edith Cowan University	88.0
Australian Institute of Business	84.3	20	University of the Sunshine Coast	86.8

Note: Public Universities identified in blue, all others are private providers.

## Australian Non-University Higher Education Student Enrolment

**Almost 10% of Australian higher education students are enrolled with a non-university higher education provider – the equivalent enrolment of almost 4 public universities.**

**Private higher education providers relieve the Commonwealth of significant funding pressure, yet FEE-HELP supported students of these providers are burdened with Commonwealth debt in excess of their non-subsidised course costs.**

19. The May 2017 *Statistics Report on TEQSA Registered Higher Education Providers* reports that almost 10% of Australian higher education student students are enrolled with a non-university provider.
20. The Statistical Report indicates 118,751 students enrolled as follows:
  - 76,740 students enrolled with an Australian For-Profit Higher Education Provider (2015)
  - 42,011 students enrolled with an Australian Not-For-Profit Higher Education Provider (2015)
21. **With an average enrolment in Australian universities of 30,470, there is a student enrolment equivalent of almost 4 universities in the non-university sector.** With the non-university providers not receiving commonwealth grants, this relieves significant pressure on federal funding.
22. The TEQSA statistical report groups enrolment data into university and non-university, resulting in students enrolled at private universities included as university enrolments. HEIMS data reports a combined enrolment of 18,552 students across the three private universities – Bond University, Torrens University and the University of Notre dame. TEQSA incorporates these students into their reported university enrolment data.

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**COPHE proposes that the Bill be amended to remove inequity and unfairness in student loans through abolition of the loan fee applied to student FEE-HELP recipients.**

**COPHE supports the introduction of a single income contingent loan scheme.**

### Contacts

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