

Inquiry into the Higher Education Support Amendment Bill 2025

Senate Education and Employment Legislation Committee

Submitter:

Michael Sanderson

[REDACTED]

[REDACTED]

[REDACTED]

Phone:

[REDACTED]

Email:

[REDACTED]

Introduction

I welcome the opportunity to make a submission to this inquiry.

I support the bill.

The committee is considering a specific legislative correction. The immediate question is whether Parliament should reverse a fee regime that imposed punitive student contribution settings on particular disciplines and loaded students with larger debts for choosing them. The Explanatory Memorandum makes clear that the bill is directed to reversing the Job Ready Graduates fee hikes and restoring lower maximum student contribution amounts for the affected disciplines. It is also concerned with reducing financial barriers, reducing student debt, advancing discipline equity, and ensuring that access to higher education is not contingent on the Government's preferred job market outcomes.

This submission is framed accordingly. It does not ask the committee to convert this inquiry into a complete redesign of the higher education system. It does submit, however, that the committee can properly identify the broader policy settings that made the present problem possible. That does not breach the intent of the inquiry. It explains why the bill is necessary, why it should pass, and why it should be understood as a corrective step rather than a complete settlement.

Two filters for assessing the bill

This submission proceeds from two filters.

The first is good public purpose.

The second is that the paramount purpose of the Federal Government is to build a floor that all can stand on and to regulate a ceiling that protects from disproportional excess.

Applied to higher education, good public purpose means a system that develops capability, knowledge, judgment, professional competence, scientific capacity, cultural life, democratic resilience, and long-term national development. It means education organised around public value rather than narrow commercial logic or short run labour market management.

Applied to this bill, the floor means fair access to study, lower debt burdens, genuine freedom of educational choice, stronger public institutions of guidance and support, and a higher education system that does not exclude or distort through punitive price signals. The ceiling means restraining rent seeking, excessive commercialisation, managerial inflation, cost shifting onto students, and the use of debt as a coercive device to force behaviour that government finds more convenient.

Those filters matter because the present problem did not arise in isolation. It arose within a broader policy architecture that has become increasingly market driven and increasingly detached from the public purposes of higher education.

The bill should be supported

The fee hikes imposed under Job Ready Graduates were not a neutral adjustment to contribution settings. They were a price-based attempt to steer students away from some disciplines and toward others. In practice they burdened students, distorted choice, and treated some fields of study as less worthy of public support.

That was a flawed approach in both principle and effect.

Higher education should not be organised around punitive debt signals. Students should not be told that if they wish to study law, humanities, social sciences, communications, or related disciplines, they must carry an inflated financial burden because government wishes to push enrolments elsewhere. That is not a coherent theory of education. It is a crude market lever imposed on a public good.

The second reading speech makes plain that the bill is intended to undo those punitive fee hikes and relieve the debt burden imposed on students in the affected disciplines. It also frames the present arrangements as part of a broader effort to make education serve the market rather than the public.

The committee should therefore support the bill on straightforward grounds. It removes a specific distortion. It reduces unnecessary debt. It improves fairness between disciplines. It restores a more defensible contribution structure. It is a proper legislative correction and it should pass.

This inquiry can properly identify the deeper problem

Although the bill is narrow, the committee does not need to pretend that the present problem appeared in isolation. The fee hikes were one expression of a deeper shift in higher education policy.

Over time, the system has been pushed away from public purpose and toward a privatised model in which education is increasingly treated as a private purchase, universities are pressured to behave like revenue seeking firms, and students are expected to finance more of the system through personal debt. The result is a model shaped by commercial pressure, managerial expansion, branding logic, revenue chasing, and cost shifting.

That is the wider setting in which the fee hikes occurred.

The committee can therefore properly say that the bill addresses a real and immediate injustice, but that the injustice arose within a broader policy architecture that has become increasingly market driven and increasingly detached from the public purposes of higher education.

Education should be organised around good public purpose

The right organising principle is good public purpose.

Education serves good public purpose when it develops capability, knowledge, judgment, professional competence, scientific capacity, cultural life, democratic resilience, and long-term national development. It is not merely a device for producing narrow labour market outputs at the lowest public cost. It is not merely a private consumer purchase. It is productive public infrastructure.

That matters here because the fee hikes rested on the opposite assumption. They treated higher education as a pricing instrument through which government could reward courses it preferred and punish those it did not. The Explanatory Memorandum rejects that logic by stating that the right to education should not depend on the Government's desired job market.

Students should generally be free to choose the field they wish to study. Outside limited and clearly justified exceptions, government should not manipulate that choice through artificial debt settings. If a student wants to study history, philosophy, sociology, communications, law, nursing, engineering, teaching, or science, the system should not punish or reward that choice through ideological pricing.

At a minimum, any student contribution structure should be transparent, proportionate, and defensible. It should not operate as a behavioural weapon.

There is room to criticise the privatised and profit based model

There is also room in this inquiry to say something more fundamental. The current model has become too commercial, too debt dependent, and too permissive of rent seeking.

When universities are driven to behave like firms, predictable pathologies follow. Administrative and managerial layers expand. Branding and rankings consume attention. Revenue diversification becomes a governing obsession. Students are treated as financing units. Staff are squeezed. Educational quality is subordinated to commercial survival. Public purpose is diluted by institutional self-preservation.

The second reading speech expressly criticises this market orientation. It says the present model made education serve the market rather than the public, contributed to turning universities into profit driven corporations, and locked in a system where students, rather than government, pay the price. It also criticises the preoccupation with branding, rankings, and revenue diversification.

That is not an incidental side effect. It is the logic of a system increasingly organised around commercial pressure.

A higher education system should not be built around extraction from students. It should not depend on inflating debt, shifting costs off the Commonwealth, and normalising the idea that public education must increasingly justify itself through private returns and market metrics. Nor should it tolerate the kind of rent seeking that emerges when public institutions are pushed into quasi corporate forms while still drawing legitimacy from their public role.

In floor and ceiling terms, the floor is damaged when students are burdened with unnecessary debt and when educational choice is narrowed by price coercion. The ceiling is weakened when commercial logic, revenue chasing, and institutional rent seeking are permitted to displace public purpose.

The committee can therefore properly state that the bill should pass and that the broader privatised logic that helped produce the present problem should be reversed over time.

Students should be free to choose, but targeted public compacts can still be justified

A critique of the fee hikes does not require Parliament to ignore real workforce needs. It means those needs should be addressed openly and coherently rather than through hidden coercion by debt.

There is a sound distinction between punitive price steering and a transparent public service compact.

Where the Commonwealth funds education to meet clear public service needs in fields such as nursing, medicine, teaching, allied health, social work, and other service intensive professions, there is a reasonable case for a reciprocal model. That model could include tuition support, income support, accommodation support where needed, guaranteed practical training, and a defined period of service in the corresponding public field after graduation.

That is a very different proposition from the Job Ready Graduates approach.

One model says that if public money is being invested to build essential public capability, the design should secure a public return in a clear and fair way. The other model says that government will inflate debt in disfavoured disciplines to push students elsewhere. The first is transparent public policy. The second is coercive price manipulation.

The committee can therefore note, without straying beyond the bill, that students should generally be free to choose their field of study, but that in limited cases of clear public need Parliament may properly consider targeted public compacts built around support, training, and reciprocal service.

Private enterprise should not be permitted to free ride

A serious education policy must also confront a related problem. Private enterprise too often benefits from skilled labour produced through publicly funded education and public sector training pipelines without carrying equivalent obligations itself.

That is a form of free riding.

If private firms require skilled workers, they should be expected to bear real training responsibilities. That means investing in apprenticeships, cadetships, scholarships, paid placements, structured development, and where relevant, practical support for workers in regional or high need areas. Public education should not operate as a subsidy machine through which the public carries the cost of formation while private actors capture the benefit.

This submission does not suggest that the committee should redesign the entire private training system in this bill. It does submit that the committee can acknowledge a clear principle. A sustainable and fair education model cannot rest on public cost bearing and private extraction.

This too is a floor and ceiling issue. The floor is undermined when the public carries the cost of capability formation but receives an increasingly weak public return. The ceiling

is undermined when private enterprise is permitted to capture the benefit of publicly formed labour without corresponding obligations.

Public guidance is better than price coercion

If students are to make good decisions, the answer is not distorted fees. The answer is better public guidance.

There is a strong case for restoring a public institution in the tradition of the Commonwealth Employment Service to help students identify aptitude, likely fit, training pathways, workforce demand, and the practical supports they may need to succeed. A modern public guidance institution could do far more for informed choice, better matching, lower attrition, and reduced wasted debt than any fee penalty ever could. That is especially so given that the public model once associated with the Commonwealth Employment Service has been displaced by a fragmented and not fit for purpose private system that is incapable of performing the wider public function of coherent labour matching, educational guidance, and human capability formation at a national level.

This is important because the present model too often assumes that the way to influence behaviour is to make some choices more financially painful than others. That is a poor substitute for actual public capacity. It shifts risk onto the individual and calls that efficiency. It also leaves students navigating educational and labour market decisions through a system that is weaker, more fragmented, and less publicly accountable than the public institutions it replaced.

A revived public service of guidance and support would reflect a different philosophy. It would treat educational choice as something that should be informed and supported, not distorted and punished.

Historic and comparative experience shows these ideas are practical

None of the ideas above is fanciful.

Australia has previously used strong public institutions to connect education, training, and workforce formation. It has used public employment and matching mechanisms, public training support, and service linked models in areas of public need. Those examples do not need to be adopted wholesale in this bill for the committee to recognise that public guidance, structured support, and reciprocal service models sit well within the range of serious public policy.

Offshore experience also shows that funded study, living support, service obligations, employer backed training, and public guidance can operate as normal policy instruments. The significance of those examples is not that they provide a turnkey

model for Australia. It is that they rebut the claim that the current Australian settings are the only realistic ones.

The committee does not need to settle every future reform in this inquiry. It can, however, recognise that the present bill sits within a broader choice between two directions. One direction continues the drift toward debt, commercialisation, and cost shifting. The other begins to restore education as a public institution organised around capability, fairness, and public purpose.

Affordability and the Commonwealth's monetary capacity

A further matter the committee can properly note is that the affordability of reversing these fee hikes, and of moving over time toward a more public higher education model, should not be analysed as though the Commonwealth were financially constrained in the same way as a State, household, a firm, or a university.

That does not mean there are no limits. It means the real limits are not found in some supposed need for the Commonwealth to first obtain its own currency from students, borrow from markets, or raise taxation before it can support universities. The relevant constraints are the ones that actually matter in public policy, namely inflation, the availability of teaching staff, training places, accommodation, classrooms, clinical and practical placements, research capability, and the wider productive capacity of the economy. That framing is consistent with the Reserve Bank's own description of its macroeconomic objectives, which are directed to low and stable inflation, full employment, and the economic prosperity and welfare of the Australian people.

For this inquiry, the significance is straightforward. Arguments that Parliament cannot afford to reverse punitive fee settings, or cannot afford over time to rebuild higher education as a stronger public institution, should be treated with caution. The real policy question is not whether the Commonwealth can find Australian dollars. The real question is whether Australia has, or can develop, the labour, facilities, institutional capacity, and material resources required to provide higher education on fairer and more publicly directed terms. On that footing, loading students with debt is a policy choice, not a financial necessity.

The committee can also properly note that once student debt is understood in that setting, there is no compelling public purpose in attaching interest, indexation burdens, or other debt related charges to student liabilities as though the Federal Government were a private creditor that must recover funding costs from borrowers. The Commonwealth does not need to borrow or tax first in order to support higher education. On that footing, escalating student liabilities through interest, indexation, and related charges is not a financial necessity. It is a policy choice that intensifies burden, distorts life decisions, and pushes the system further toward a privatised and punitive model.

That also reinforces the floor and ceiling filter. The floor is strengthened when the Commonwealth uses its monetary capacity to support fairer access, lower student debt, and stronger public institutions. The ceiling is strengthened when Parliament refuses false affordability narratives and rejects public pseudo debt escalation settings that are then used to justify cost shifting, commercialisation, and extraction from students.

(Note: If the committee considers it useful, I would be willing to provide a supplementary submission dealing specifically with Federal taxation, borrowing, public debt, and the Commonwealth's fiscal capacity.)

Conclusion

This bill should pass.

It should pass because the fee hikes were unjust, distortionary, and damaging. They burdened students for choosing legitimate fields of study. They used debt as a mechanism of behavioural control. They reflected a shallow and punitive understanding of what higher education is for.

The committee can say that clearly and still remain within scope.

The committee can also properly say that this bill is only a partial remedy. The deeper problem is a higher education model that has become too market driven, too debt dependent, too permissive of rent seeking, and too detached from good public purpose.

Higher education should be reoriented over time toward a different model. Students should generally be free to choose their field without artificial fee penalties. Essential public service fields may justify targeted public compacts that include strong support and reciprocal service. Private enterprise should carry real training obligations instead of free riding on publicly produced capability. Public institutions of guidance and support should be rebuilt so that informed choice replaces coercive price signals. Interest, indexation, and other debt related charges should not be treated as natural features of a fair public system. And the broader privatised logic that has turned education into a vehicle for extraction should be reversed.

In that form, these observations do not stray beyond the intent of the inquiry. They explain why the bill matters, why it deserves support, and what Parliament should bear in mind as it considers the next stage of reform.

At its clearest, the task is to rebuild a floor of fair access, lower debt, informed choice, and publicly directed capability, while regulating a ceiling against rent seeking, commercialisation, cost shifting, coercive price manipulation, and the escalation of student liabilities through unnecessary debt charges. On that footing, this bill should be understood as a necessary corrective step in the right direction.

Recommendations

Recommendation 1

That the committee recommend passage of the Higher Education Support Amendment Bill 2025.

Recommendation 2

That the committee state expressly that student contribution settings should not be used to punish or privilege disciplines for the purpose of steering student behaviour through debt and price signals.

Recommendation 3

That the committee affirm the principle that higher education is a public good and that access to study should not be made contingent on the Government's preferred short term labour market outcomes, consistent with the Explanatory Memorandum to the bill.

Recommendation 4

That the committee note that the Job Ready Graduates fee hikes were a symptom of a broader drift toward a privatised, commercial, and debt dependent higher education model, and that future reform should move progressively away from that model.

Recommendation 5

That the committee note that, outside limited and clearly justified public service compact arrangements, students should generally remain free to choose their field of study without artificial fee inflation or discounting designed to manipulate that choice.

Recommendation 6

That the committee recognise that, in fields of clear public need such as nursing, teaching, medicine, allied health, and social work, future governments may properly consider targeted public service compact models that combine tuition support, income support, accommodation support where necessary, practical training, and a defined return of service.

Recommendation 7

That the committee note the principle that private enterprise should bear real training obligations where it depends on skilled labour, rather than relying on the public system to produce capability at public expense and then capturing the benefit privately.

Recommendation 8

That the committee recommend consideration of a revived public guidance and matching institution, in the tradition of the Commonwealth Employment Service, to

help prospective students identify aptitude, training pathways, workforce demand, and the support needed to succeed, as a better alternative to coercive price signalling.

Recommendation 9

That the committee recognise that the Federal Government's role in higher education is to build a floor of fair access, lower student debt, informed choice, and enduring public capability, while regulating a ceiling against rent seeking, excessive commercialisation, cost shifting, coercive use of student debt, and the escalation of student liabilities through interest, indexation, and other unnecessary debt related charges.

Recommendation 10

That the committee note that, consistent with the public purpose of higher education and the Commonwealth's monetary capacity, future reform should provide for the elimination of interest, indexation-based escalation, and other student debt related charges, and for the crediting back or reversal of such charges already imposed on student liabilities.