

Committee Secretary
Senate Education and Employment Committees
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Due 22 September, 2014

Dear Committee Secretary,

Please find the following submission by the **Equity Practitioners in Higher Education Australasia (EPHEA)** regarding proposals within the [Higher Education and Research Reform Amendment Bill 2014](#)

By way of background, EPHEA is the representative body of equity practitioners in the Higher Education sector in Australasia representing issues that impact both staff and student equity. Our members work in a range of areas to support access and participation of disadvantaged groups into higher education. Our membership includes equity practitioners from all of Australia's universities.

We have a number of concerns about the proposed measures under the [Higher Education and Research Reform Amendment Bill 2014](#) which we believe will have serious consequences to current and prospective students from disadvantaged backgrounds accessing higher education. In addition, associated reform measures under additional bills: [Higher Education Support Amendment \(Savings and Other Measures\) Bill 2013](#)¹; [Social Services and Other Legislation Amendment \(Student Measures\) Bill 2014](#)²; and the [Social Services and Other Legislation Amendment \(2014 Budget Measures No. 2\) Bill 2014](#)³ will also seriously impact prospective and current students within the Higher Education sector.

1. While we are circumspect about fee deregulation, we ask the Parliament to reconsider the proposed 20% cut in Government contributions to tuition fees ([Higher Education and Research Reform Amendment Bill 2014](#)) for students as this presents a considerable increase in the cost of education to all students but in particular to those from low socioeconomic backgrounds. If these cost savings are necessary, consideration needs to be given to delaying the change to fees to allow institutions the time to put systems in place, to assess appropriate fee structures and provide advanced notice to students of potential fee rises enabling them to make careful career decisions about courses and related fee structures.
2. Reconsider moves to increase the repayment method via HECS-HELP from a CPI rate of interest to Government Bond Rate ([Higher Education and Research Reform Amendment Bill 2014](#)). This change will constitute a significant increase in costs and repayments of tuition fee loans and of considerable detriment to people from low socioeconomic backgrounds and women.

Modelling done by [Universities Australia](#) and [NATSEM](#) shows considerable increases in the cost of an undergraduate degree, significant increases in interest to pay and in particular, great disadvantage for people from low-income backgrounds and women. The combination of gender equity pay gap, feminised industries, women taking extended breaks from work due to carer responsibilities, and increased debt means women are severely disadvantaged in the proposed scenarios.

Students who have existing debts or recent enrolments should not be included under any proposed changes as they committed to the HECS-HELP scheme under a vastly different set of conditions. Alternatively, the Government could incentivise repayment of existing HECS-HELP loans by retaining discounts for early payment; by insisting that all students with existing HECS-HELP debts over the threshold make a minimum contribution (even if overseas); and by considering having HECS-HELP debts come out of deceased estates. These options are considerably better options for recouping existing and emerging debt without severely financially disadvantaging students in order to pursue tertiary education options.

3. Reconsider reforms to the Start-up and Relocation scholarships ([Social Services and Other Legislation Amendment \(Student Measures\) Bill 2014](#)) Students eligible for Centrelink payments are already deemed in

¹ This bill removes the HECS-HELP up-front payment discount for units of study with a census date on or after 1 January 2014 and removes the HELP voluntary repayment bonus for repayments made on or after 1 January 2014

² This bill allows the Government to enable an interest charge to be applied to certain debts relating to Austudy payment, fares allowance, youth allowance payments to full-time students and apprentices, and ABSTUDY living allowance payments; and nine Acts to replace the student start-up scholarship with an income-contingent student start-up loan.

³ This bill restricts qualification for relocation scholarship payments and removes pensioner education supplements

financial need and the addition of a Start-up or Relocation scholarship provides essential support to assist with commencing and on-going costs of study. The combination of tuition fees and a loan-contingent Start-up scholarship and the associated debt incurred presents a significant barrier to many people, especially those from low-income backgrounds. The restriction to Relocation Scholarship proposed in the [Social Services and Other Legislation Amendment \(2014 Budget Measures No. 2\) Bill 2014](#) also reduces student mobility and choice potentially in a market where price is a determining factor. Students from regional, rural or remote areas are particularly impacted by these changes to Relocation Scholarships.

We recommend that arrangements for current scholarship recipients be grandfathered to prevent financial hardship or early program withdrawal. Grandfathering of scholarship rates, eligibility requirements and conditions should occur for this and all other relevant social services reforms impacting students from low socioeconomic backgrounds.

4. Reconsider Commonwealth Scholarships being gleaned from tuition fee revenue ([Higher Education and Research Reform Amendment Bill 2014](#)). EPHEA believes that it is inappropriate to rely solely on revenue raised from increased tuition fees to fund scholarships for disadvantaged students. This revenue is not a 'Commonwealth Scholarship' – it is student tuition fees funding other students.

It would be preferable to consider reverting to the previous Start-up Scholarship program where students already deemed low-income via the Centrelink system are provided with additional scholarship funds to cover the costs of study rather than have 'rich' students funding 'poor' students.

For the 20% revenue to work appropriately, it is essential that the definition of 'disadvantaged' students be clarified and for clear guidelines regarding the support of these students be developed. This should be undertaken in partnership with institutions, taking into account local needs, providing for a breadth of appropriate programs and supports (e.g. outreach and access programs, retention initiatives, fee waivers and needs-based scholarships) and working in connection with programs such as existing study support measures (via Centrelink or other Commonwealth Scholarships) and HEPP (Higher Education Participation Program).

Under this proposed system of revenue-raising it may take universities several years to build up sufficient monies to support programs for disadvantaged students and in the process other students are bearing the financial burden.

5. EPHEA also advises against the removal of the Pensioner Education Supplement ([Social Services and Other Legislation Amendment \(2014 Budget Measures No. 2\) Bill 2014](#)) where it is paid to support the education of those on Carer Payments, Disability Support Pensions and Veterans Affairs Payments. This supplement is vital to providing opportunities for people on such pensions to further educate themselves for better employment opportunities in the future.

EPHEA believes that many of the measures relating to supporting students to access higher education are counter-intuitive. The ability for Australians, especially those from low socioeconomic backgrounds, to access higher education is a key to unlocking their own potential with the benefits having a ripple effect in families and communities. By increasing the financial burden of paying for their education these changes will have a lasting impact on individuals, families and communities.

EPHEA recognises that there are challenges associated with funding a high quality higher education sector. However, the proposed reforms will adversely impact those sectors of the community who already face significant challenges in accessing the benefits of higher education. Therefore, EPHEA implores the members of the Senate Committee to reconsider proposed changes to the higher education sector.

Regards

EPHEA
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