



## **Submission**

to the Senate Education and Employment Legislation Committee  
*Higher Education Support Legislation Amendment (Student Loan Sustainability) Bill 2018*

University of Divinity  
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Committee Secretary  
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The University of Divinity welcomes the opportunity to make a submission to the Committee.

The University of Divinity was established in 1910 as a self-accrediting private higher education provider by the Parliament of Victoria and in 2012 commenced operation as the first Australian University of Specialisation. The University advocates for a broad-based university sector in Australia which supports the education of wise and compassionate graduates who are able to meet the multi-faceted challenges of contemporary society.

For over a decade the HELP scheme has been an highly effective tool for the support of students studying at both public and private providers, for first and subsequent degrees. Its future success in continuing to support high quality student outcomes in a sustainable way is critical to the Australian higher education policy framework.

The University therefore offers qualified support for the Bill as a means of securing the future sustainability of the HELP scheme. In the wake of the reputational damage created by VET loan scheme and the significant consequences for this sector, it is self-evidence that the HELP scheme must be managed responsibly to build public confidence in the funding of student loans, if it is to achieve its aim of providing financial support for student outcomes in a sustainable way.

The University strongly advocates for two improvements to the Bill:

**a) Removal of the 25% loan charge applied to undergraduates accessing FEE-HELP.**

This charge discriminates against students undertaking their first degree at a private higher education provider, without any educational benefit to the student, the provider, the government, or the Commonwealth of Australia. Removal of this charge is the single most significant thing the Bill could achieve to provide more equitable support for a diverse higher education system in Australia that facilitates student choice.

*Recommendation:* Add a further amendment to the Bill to revise section 137 10 (2) of the *Higher Education Support Act* to read “The amount of the FEE-HELP debt is the amount of the loan.”

**b) Conversion of the proposed lifetime limit on HELP loans to a debt ceiling**

The purpose of the lifetime limit as proposed by the Bill is to ensure that the HELP scheme is not open to abuse by a very small number of persons who might use its provisions to undertake study without concomitant benefit for wider society through social or economic contribution. The provision as it stands may have unintended consequences in the medium term, especially in the near future where, as most experts predict, the Australian workforce will need to engage in lifelong learning and upskilling.

The University therefore proposes institution of a debt ceiling in place of a lifetime limit on loans. This would ensure that students who reached the ceiling were unable to access further loans until the debt had been repaid, while also allowing students who received a loan and paid it off to return to further study supported by a loan. Such a measure would both promote the value of lifelong learning and encourage the repayment of student loans.

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