

Hon Dan Tehan MP  
Minister for Education  
Parliament House  
CANBERRA ACT 2600

Dear Minister

Congratulations on your appointment as the Australian Minister for Education. This appointment provides you with a great opportunity to assist Australian and international students to achieve their educational aspirations and is critical to the Australian community and national economy. We wish you well and look forward to working with you.

The Council of Private Higher Education (COPHE) is a peak body representing Australia's high-quality independent higher education providers (iHEPs). Whilst public universities dominate both public funding demands and community perceptions of higher education, independent providers:

- enrol a critical mass of Australia's higher education students;
- deliver a range of programs targeted directly at student demand; and
- educate Australian and international students without the support of Commonwealth subsidies (CSP's).

Key metrics of the independent higher education sector include:

- 123 of Australia's 176 registered higher education institutions are independent providers (including 4 independent universities)
- More than 150,000 students are currently enrolled with an independent higher education provider. This equates to 10% of total student higher education enrolments (1,482,684)
- With an average public university enrolment of 33,969, independent provider enrolments are equivalent to 4.45 public universities

Source: TEQSA Statistical Return 2018; HEIMS data

COPHE was established in 2001 and is unique in the higher education sector as a peak body solely representing independent higher education providers. Our members are located across Australia and include independent universities, colleges and professional associations. Disciplines taught by our members include law, engineering, agricultural science, business, theology, design, photography and hospitality management.

COPHE looks forward to an opportunity to brief you in detail on key issues impacting independent higher education. However, we bring to your attention three current urgent issues for the independent sector:

### **The Imposition of a 25% Loan Fee applied to FEE-HELP supported students**

Students enrolled with an independent higher education provider are able to access a Commonwealth HELP loan to support their study through the FEE-HELP program. Students accessing FEE-HELP are required to loan 125% of their course costs. Students enrolled with Australian universities are not charged this 25% fee.

The 25% loan fee currently applies to 9% of Australian undergraduate students. This is an unfair tax which is only applied to a minority of Australian higher education students – those whose education is delivered to them by an independent higher education provider that is not registered as a University.

COPHE's economic analysis establishes that the loan fee contributes less than \$10million per annum to Commonwealth revenue, reducing to approximately \$6million with NPV analysis. Whilst this is a small amount in Commonwealth terms, it is significant impost on students and results in students accruing debts in excess of the tuition costs of their courses. Additionally, this penalty is even more unfairly applied only to those students who undertake their education without any access to the Commonwealth subsidy.

With a few exceptions in specific courses, Australia's independent providers are not eligible for Commonwealth Supported Places (CSPs). Subsequently Australian undergraduate students enrolled with an independent provider do not have their tuition costs subsidised, and yet are penalised by a 25% levy to access government HELP loans.

The Government recently supported a Senate amendment to the HESA Act that conceded this was an unfair tax on students attending independent universities and abolished it. However, this was not extended to the remaining higher education students in Australia attending higher education institutions not registered as universities, further highlighting the discrimination against these students.

### **The 2019 Introduction of a Domestic Tuition Protection Scheme (TPS)**

COPHE welcomes the government's announcement of a domestic TPS scheme in 2019. Currently the protections of a Commonwealth managed TPS are only available to international students. The international TPS is well managed and is supported by COPHE members.

With all Australian higher education providers required by TEQSA to have adequate student protections established to deliver tuition and course assurance, a domestic TPS scheme enables both the strongest student protections and robust risk management strategies for regulated providers.

Whilst we support the introduction of a TPS for domestic students we have serious concerns about the intention of the proposed scheme to provide coverage only for HELP recipient students.

Our concerns include that the scheme creates an excluded minority of disadvantaged self-funded students and potentially stimulates the following system drivers:

- an increase in students choosing a HELP debt rather than paying their own fees;
- a decline in availability of 'fees in advance' or fee-paying enrolments and an increase in student HELP debt
- an incentive for students who may be able to meet the costs of their education to attain the benefits of protection that attach to a HELP loan.

Further to this:

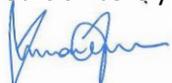
- International students – **all of whom are not HELP recipient students** – are provided with protections under the international TPS, yet Australian students will not receive this same protection
- Limiting coverage to HELP recipient students sends a clear message to the Australian community that the scheme is designed to protect Commonwealth risk, rather than provide universal student protections
- Students enrolled with providers not registered for FEE-HELP (including COPHE's professional association members - The Tax Institute; the Institute of Internal Auditors; and The Governance Institute) – will not have access to the domestic students TPS protections.
- A relatively small pool of unprotected students is not likely to be attractive to private insurers

### **Representation of independent providers on the TEQSA Commission**

The current TEQSA Commission comprises people drawn solely from Australia's public universities. The lack of a Commissioner with a history of involvement in the independent sector has left the Commission without vital insight regarding the nature of the operations of independent providers. COPHE has always supported the role of TEQSA and is concerned that non-representation of independent providers on the Commission is affecting the Commission's ability to ensure that TEQSA's regulation of independent providers is informed by contextual understanding of this part of the higher education sector.

**COPHE seeks an urgent opportunity to work with you on these key issues and seeks to meet with you at your earliest convenience.** I will be in touch with your office to seek an appointment. I am able to be contacted on 0408 709 148 or [simon.finn@cophe.edu.au](mailto:simon.finn@cophe.edu.au)

Yours sincerely



Simon Finn

Chief Executive Officer.