

2021-22 Federal Budget measures provide essential support for Australian independent higher education students and providers

Independent Higher Education Australia (IHEA) welcomes today's announcement from Minister for Education and Youth, The Hon Alan Tudge MP and Minister for Employment, Workforce, Skills, Small and Family Business, The Hon Stuart Robert MP unveiling a suite of budget measures to support independent higher education providers and students valued at \$53.6 million, including:

1. 5,000 funded Short Course places at independent higher education providers
2. Further FEE-HELP Loan Fee exemptions for 30,000 students until 31 December 2021
3. Regulatory fees and charges waived until 31 December 2021
4. Innovation grant fund to grow offshore and online delivery

5,000 additional funded Short Course places for independent higher education providers, available for study in any discipline, will play a critical role in ensuring greater opportunities for Australians to rapidly adapt their skillset during the current economic uncertainty.

"IHEA welcomes this important announcement of 5,000 additional funded Short Courses for the independent sector. Short Courses are playing a key role in ensuring Australians can quickly reskill or upskill to meet the demands of a changing economy during this time of uncertainty," said IHEA CEO, Simon Finn.

"Providing access to funded places in any discipline supports students to pursue their career aspirations and to make the right choices for their own futures. In a changing economy the most current market demands should be the driver of course enrolment and funding short courses across all disciplines will support both student choice and industry needs. In turn, this will stimulate demand, drive innovation and development of new products, and support education businesses to expand their course offerings toward the needs of Australian students."

"As uncertainty continues around the return of international students, it is becoming even more critical to stimulate domestic education markets through these kinds of competitive neutrality measures that support student enrolments."

Extension of the FEE-HELP Loan Fee is a significant win for students who chose to study with an independent higher education provider. The loan fee was first temporarily exempted in April 2020, recognising the negative impacts of the levy on students seeking to re-skill during the COVID-19 and the economic recession at a provider of their choice.

"During COVID-19 it became even more critical to remove this disincentive and encourage the reskilling and upskilling required for the nation's economic recovery. IHEA welcomes the extended exemption as the tertiary sector faces significant ongoing challenges in the fallout of COVID-19," said Mr Finn

"The FEE-HELP Loan Fee operates as an unfair tax on students as it applies only to non-university students resulting in student debts of 120% of course fees. IHEA welcomes the removal of barriers to tertiary study and the reduction of student debt levels."

“Further exemption of the loan fee is a positive announcement that will improve student equity, stimulate enrolments, and reduce the debt burdens of students. While IHEA welcomes this announcement, which extends exemption from collection of the loan fee to a period of 21 months, we will continue to advocate for this tax to never be reintroduced. The loan fee fundamentally discourages students from pursuing their goals with Australia’s high-quality independent providers, impacts students right to choose the best education for their future and distorts the education market.”

IHEA has been leading the charge on advocacy to abolish this unfair tax on students for many years, releasing its *Students First* campaign platform at the 2019 Federal Election. Independent research commissioned by the peak body in 2018 found the Loan Fee contributed just \$6 million revenue annually to government however is an enduring financial burden on students.

An innovation grant fund to grow offshore and online delivery is an important measure for the sector and will go a long way to ensuring both a high-quality student experience and the ongoing viability of a sector heavily affected by border closures for international students.

“There’s no doubt that the impacts of the COVID-19 pandemic on the international higher education industry will be felt for many years to come. The longer borders remain closed to student visa holders, the longer industry recovery will take. The sector has been calling for support beyond the expiry of *JobKeeper* and so we warmly welcome today’s announcement of this exciting innovation grant fund,” said Mr Finn.

“IHEA recognises the primary importance of ensuring the safety of the Australian community as the world navigates its way through new waves of the virus. While borders remain shut, we need to be looking at alternative education markets both on and offshore. This innovation grant fund will enable independent providers to do just that, ensuring the best outcome for students and maintaining Australia’s global reputation for excellence in higher education.”

Waiving of regulatory fees and charges until the end of 2021 is a critical measure to ensuring the ongoing sustainability and quality of independent higher education providers across Australia as the fallout of the COVID-19 pandemic will be felt for years to come. The pause on fees and charges includes those from CRICOS, TEQSA, and ASQA. Originally, TEQSA and ASQA cost recovery was scheduled to begin on 1 July 2021 but has now been delayed to 1 January 2022.

“Today’s announcement that the government will continue to waive regulatory fees until the end of 2021 will come as a huge relief for all IHEA Members and providers across the sector. Now more than ever before, providers need to be focusing their resources – both financial and non-financial – on ensuring they continue to deliver a high-quality student experience,” said Mr Finn.

“Waiving regulatory fees will particularly benefit the small and niche providers who continue to grapple with the impacts of COVID-19 on the tertiary sector. This additional time of reprieve is very welcome news.”

“Deferral of TEQSA and ASQA cost recovery is supported across the sector as it will add significant burden to providers and place upward pressure on student fees. IHEA welcomes the deferral and the reconsideration of its application to reduce burden on smaller providers.”

IHEA CEO, Simon Finn is available for interview on request.

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