

IHEA Welcomes Federal Government Announcement on FEE-HELP Loan Fee Removal for 2022

Independent Higher Education Australia (IHEA) welcomes the federal government announcement that the FEE-HELP Loan Fee exemption will be extended until 31 December 2022.

"The announcement that the FEE-HELP Loan Fee will be removed for all of 2022 is good news for students and IHEA members," said IHEA CEO, Simon Finn.

"The reintroduction of the 20 per cent FEE-HELP Loan Tax would've imposed considerable increases in debt for students at independent higher education institutions.

"This exemption for 2022 will provide relief to students and their families after another challenging year due to Covid-19 pandemic.

"IHEA proposes permanent abolition of the inequitable FEE-HELP Loan fee which applies a tax on students based on their choice of education provider."

Along with the FEE-HELP Loan Fee exemption, the federal government also announced regulatory fee relief for certain fees for the Australian Skills Quality Authority (ASQA), Tertiary Education Quality and Standards Agency (TEQSA), Courses for Overseas Students (CRICOS), and Tuition Protection Service (TPS) levies.

"IHEA welcomes the deferral of implementation of full cost recovery for TEQSA," said Simon Finn.

"TEQSA cost recovery was scheduled to impose substantial cost increases on education providers at the worst possible time as the sector recovers from the impacts of the COVID-19 pandemic.

"We are delighted that the federal government has recognised the advocacy of IHEA members that TEQSA full cost recovery will severely impact the operations of Australia's independent providers.

"We will work closely with government during 2022 to refine the proposed TEQSA costs recovery model to minimise the cost imposts on providers and associated upward pressures on tuition fees."

The package includes:

- Extension of the current FEE-HELP loan fee exemption until 31 December 2022, benefiting around 30,000 undergraduate higher education students studying at institutes of higher education and public universities.
- \$27.8 million in regulatory fee relief for the duration of 2022, including certain fees for ASQA, TEQSA, CRICOS registrations, and the TPS Levy.
- An additional \$9.4 million to extend the Innovation Development Fund, delivering further short-term targeted support to private English Language Intensive Courses for Overseas Students (ELICOS) providers to diversify their education offerings into online and offshore delivery.

The federal government also announced visa settings to support the rapid return of international students with Temporary Graduate (subclass 485) visa holders whose visas have expired to re-apply for a new subclass 485 visa of the same duration as their original visa, extended the length of stay on the Temporary Graduate visa and recognition of offshore, online studies in qualifying for a temporary graduate visa.

The new visa settings mean:

- Temporary Graduate (subclass 485) visa holders who have been unable to travel to Australia because of COVID-19 international border restrictions will be able to apply for a replacement visa. This will allow current and former Temporary Graduate (subclass 485) visa holders whose visas expired on or after 1 February 2020 to re-apply for a new subclass 485 visa of the same duration as their original visa.
- Additionally, the federal government will increase the length of stay on the Temporary Graduate visa from two to three years for Master by coursework graduates, matching that of Master by research graduates. Vocational Education and Training (VET) sector graduates will also receive a two-year Temporary Graduate visa.
- The new visa settings will also extend existing measures for students and temporary graduates to recognise time spent offshore studying online to count towards qualifying for a temporary graduate visa.

The federal government also announced the funding of four new research and industry hubs to lead breakthroughs in national manufacturing priorities with a commitment of \$242.7 million to a Trailblazer Universities initiative.

Universities will be able to submit proposals through a competitive process to receive up to \$50 million over four years to build their commercialisation capacity and \$8 million in CSIRO specialist support.

"These announcements, along with recent statements on the return of international students, are optimistic signs for Australia's higher education sector after a tough couple of years."

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