

IHEA: The Budget is a Big Disappointment

Independent Higher Education Australia (IHEA) is disappointed at the Australian Government's 2024 Budget. There is very little to support students and providers in the independent sector, while new measures in international education threaten the viability of this industry. The Government will introduce legislation into Parliament and has released a draft International Education and Skills Strategic Framework to regulate international students numbers.

IHEA Chief Executive Officer, Dr Peter Hendy stated that "IHEA looks forward to being actively consulted to ensure that the important role independent providers play in educating international students is sustained".

The response to the Final Report of the Australian Universities Accord establishes the Australian Tertiary Education Commission (ATEC), Dr Hendy said. "The absence of a clear statement that ATEC will include a Commissioner to represent the interests of independent higher education makes it difficult for IHEA to endorse the establishment of ATEC".

IHEA notes the decision to backdate the indexation of Higher Education Loan Payments to 1 June 2023 to be the lower of Consumer Price Indexation or Wage Price Indexation. Irrespective of the model, for students at independent providers the indexation is on top of an extra 20 per cent loan fee (or tax) on their HELP loan only they pay to the Government. Dr Hendy noted "that the Budget did not address the inequitable treatment of students who access FEE-HELP, despite promising commentary in the Final Report of the Accord".

A Commonwealth Prac Payment from June 2025 for students in teaching, nursing and midwifery, and social work is limited to students in a Commonwealth Supported Place (CSP), which are overwhelmingly offered at public universities.

Dr Hendy reflected that "IHEA are disappointed at the exclusion of students at independent providers who may be eligible for this payment. IHEA continues to advocate for CSP to be available as a student-centred support, irrespective of whether a domestic student chooses to attend a public or independent provider".

We also note that the Government will also undertake a strategic examination of Australia's research and development system.

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