

Mr Ben Rimmer
Deputy Secretary
Higher Education, Research and International Group
Australian Government Department of Education
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Categories of registration of higher education providers in the *Higher Education Support Act 2003* and consequential funding

Dear Ben

Thank you for the meeting on 2 July 2025 to discuss higher education priorities and the important role of independent higher education providers in meeting these priorities. It was a constructive and informative meeting that we found very beneficial.

We were particularly interested in the possibility of a review of the categories of registration of higher education providers under section 16 of the *Higher Education Support Act 2003* (HESA), for example the Table A and Table B constructs under section 16–15 and 16–20, respectively.

We note your advice that the Australian Government expects to amend HESA in early 2026 to establish the Managed Growth Funding and Needs–based Funding Systems. While this would have been an opportunity to amend section 16 of HESA with respect to the categories of registration of providers, given the relatively short period of time to undertake a review – and following advice from Minister Clare’s office that this is not an immediate priority of the Minister – we are not expecting it to progress in this timeframe.

However, given that section 16 of HESA is determinative in funding that higher education providers are eligible to receive, we are keen to ensure that issues around provider funding are also not deferred with any potential review of section 16 of HESA.

This will be important in the context of the Australian Government’s target to lift the tertiary attainment rate of the working age population (people with at least one Certificate III qualification or higher) from 60 per cent in 2023 to at least 80 per cent by 2050.

As you know, this recommendation came from the Australian Universities Accord (AUA) Final Report. Inherent and underpinning its recommendation to increase the tertiary attainment target was a more than doubling of the Commonwealth Supported Places (CSPs) from 860,000 in 2022 to 1.8 million, with 25 to 34 year olds with a bachelor degree increasing from 45 per cent to 55 per cent.

A feature of this growth is to increase the proportion of undergraduate students from under–represented backgrounds by 2035, which Needs–based funding will aim to support.

Since the release of the AUA Final Report, IHEA’s position has been that without the critical work and support of independent higher education providers, the ambitious growth that the Government has committed to risks being unmet. As such, we were heartened by the discussion at our meeting where you also indicated that the growth could not be achieved alone by public universities and that independent higher education providers would have a role to play.

While amendments to HESA for the Managed Growth Funding and Needs-based Funding Systems are expected in early 2026 – but changes to classification of higher education providers are not – we ask that the former is done in a way that does not exclude independent higher education providers.

Currently, these proposals are focussed toward public universities as the primary recipients of CSPs. Given that there were only nine non-public university higher education providers in receipt of CSPs during 2024–25, it will be imperative that policies and programs to incentivise growth to achieve the tertiary attainment target involve the allocation of CSPs to more independent higher education providers as well as fostering and supporting growth in independent providers that do not offer, or wish to offer, CSPs.

We look forward to working with the Government, the Department of Education, and in time the Australian Tertiary Education Commission, in the development and implementation of these reforms.

Thank you again for a very constructive discussion and we look forward to our next meeting on 3 September.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Peter Hendy', is positioned above a thin horizontal line.

The Hon. Dr Peter Hendy
Chief Executive Officer
Independent Higher Education Australia
29 July 2025