

Policy statement

Government should bear the cost of student service: IRU opposes 'cost recovery' for HELP operational costs

The Innovative Research Universities (IRU) opposes the government's plan to levy a higher education provider charge.

The higher education provider charge is to be created through the *Higher Education Support (Charges) Bill 2018* and required to be paid through the *Higher Education Support Amendment (Cost Recovery) Bill 2018*.

The Higher Education Loans Program (HELP) is a scheme that assists Australians who pay a student contribution for a Commonwealth support place, to pay higher education fees or to study overseas for short periods.

Australia's HELP scheme is essential for maintaining access to higher education for all Australians with no upfront payments. Universities facilitate students to access HELP, bearing costs in the process. These costs include liaising with government departments and processing student applications for HELP.

The government's higher education provider charge will simply further divert resources away from students' education at a time when the government is already reducing resourcing for this through the Commonwealth Grants Scheme funding freeze.

The ostensible reason for the higher education provider charge is to recover the cost to Government of providing HECS-HELP and FEE-HELP. The schemes to assist students study out of Australia (OS-HELP) and to pay the student services charge (SA-HELP) are not mentioned in the Government's statements.

Charging providers for students' use of HECS-HELP and FEE-HELP is to avoid recovering costs from those who actually use the schemes – the students. This shows the fundamental error underlying the charge as created in the Bills. The Government - rightly - will not charge students directly for access to HELP. Yet it will, instead, penalise students by further reducing the resources universities and other higher education providers have to deliver students a good education.

The IRU members would not deny their students access to HELP nor does the IRU propose that students should pay to access HELP. Rather, as a Government program that reduces Government direct expenditures on higher education the Government should bear the cost.

The Government's draft [Cost Recovery Implementation Statement](#) attempts to rationalise the charge. It argues that it would be an incentive for higher education providers to reduce the call from students on the Department of Education for advice about HELP (page 4 of the Statement). It further at page 10 recognises that universities and other providers act as a 'delegate of the Secretary [of the Department of Education]' in considering requests for remission of HELP.

In effect the Statement acknowledges that the Government's schemes to assist students rely heavily on universities and other providers to operate. The Government ought to pay universities and other providers for the cost of this service, which would be true cost recovery. Instead, it wishes to charge universities and other providers for the benefit of assisting the Government implement its programs for students.

The *Higher Education Support Amendment (Cost Recovery) Bill 2018* also creates the requirement to pay a **FEE-HELP provider application fee**. It is an additional impost on non-university providers. However, it is consistent with the Government's cost recovery intentions, complementary to the charges that the Tertiary Education Quality and Standards Agency levies for its services.

Conclusion

The IRU calls on the Australian Senate to oppose the creation of a higher education provider charge through the *Higher Education Support (Charges) Bill 2018* and *Higher Education Support Amendment (Cost Recovery) Bill 2018* since these, under the guise of 'cost recovery', seeks to charge universities for a Government service provided to Australians who make use of HELP.

2 November 2018