

**1 MAY 2014**

## **RUN: NO SURPRISES FOR HIGHER EDUCATION IN COMMISSION OF AUDIT REPORT**

The recommendation from the Commission of Audit that, in an environment where the market is deregulated, fee deregulation should also be considered comes as no surprise. The Chair of the Regional Universities Network (RUN), Professor Peter Lee, said that, if the Government wished to further explore the Audit's proposal that the proportion of higher education costs paid by the Commonwealth through the Commonwealth Grant Scheme be decreased from 59 per cent to 45 per cent and the average proportion of costs paid by students increased from 41 per cent to 55 per cent, as well as the partial and full deregulation of fees, there should be extensive consultation with the sector, as recommended in the Commission's report.

"RUN is open to robust discussion of fee deregulation in a broader context of university funding, including research and regional loading funding" Professor Lee said.

"It is important that, in any discussion, due consideration is given to the ongoing need to lift the participation of regional and low SES students in higher education, and recognition is given to the barriers to higher education faced by these students. In any environment where student contributions are significantly increased, consideration should be given to providing scholarships to assist those most in need.

"The demand driven system has facilitated a growth in participation in higher education from low SES and regional students – it is important that this momentum is maintained to drive regional development.

"RUN supports the streamlining of the Higher Education Loan Repayment (HELP) scheme and changing of the indexation arrangements for the HELP repayment income threshold from movement in Average Weekly Earnings to movement in the CPI as proposed by the Audit. We do not support reducing the HELP repayment threshold from \$51,309 to the minimum wage of \$32,354. This would significantly impact on lower and single income households, particularly in regional Australia where salaries are considerably lower.

"RUN supports addressing HELP doubtful debt by recovering debt from Australians living overseas and from deceased estates. Despite the Audit's conclusion that implementation of arrangements to enforce repayment of HELP loans by people living overseas would require a change of policy and legislation and would be administratively difficult and costly, the Grattan report Doubtful debt: the rising cost of student loans provides a methodology which should be given serious consideration.

"The Grattan report estimates that \$860 million a year would be saved by 2016-17 by recovering the student debt from Australians living overseas and from deceased estates,

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and pegging the indexation of the earnings threshold to for repaying HELP debts to the CPI instead of Average Weekly Earnings.

“Government funding to facilitate collaboration between universities and between universities and industry is vital to drive relationships. Even relatively modest amounts of Government funding can leverage significant additional funding and progress important collaborative relationships.

“RUN strongly opposes the Audit’s recommendation that the Collaborative Research Network program, that provides funding for smaller, less research intensive and regional universities to collaborate with larger universities, should be abolished. The current program will finish in 2015 and is undergoing an evaluation this year. For relatively modest cost it has assisted our universities: attract outstanding researchers, enhance the profile of research, increase research publications and funding, and develop collaborative partnerships with industry and the community. A further generation of the program targeted to research directed towards regional development would have major benefits for our communities, and regional employment and industry.

“RUN universities are relatively young and the research effort is increasing significantly. Funding invested in research will be highly productive, focussed and yield a high return.

“Australia still needs to grow research links between industry and universities. The Cooperative Research Centres program has proven its worth over decades through addressing important and pressing issues in a collaborative manner and should be continued” Professor Lee said.

“RUN supports the Audit’s recommendation that the Government should commit to ongoing funding for critical research infrastructure.”

Professor Peter Lee  
Chair, RUN Group

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