



## Overview

The Australian Government's Higher Education Reform Package will enhance the sustainability, transparency and accountability of the sector while providing students with greater choice and opportunities to succeed.

Education is Australia's third largest export industry and higher education is a key element of this. In 2016 the sector was valued at \$21.8 billion. But this success has come at a cost and funding since 2009 has increased by 71 per cent, twice the rate of economic growth. While average funding for universities per student increased by 15 per cent between 2010 and 2015, over the same period the cost for universities to deliver courses increased by only 9.5 per cent according to independent analysis from Deloitte. This reform package will make Commonwealth support better targeted, make sure taxpayers receive value for money and help students make informed choices when it comes to study. The reforms will provide better support for students, fairer access for underrepresented groups and will meet the future needs of industry and the community.

## Improving sustainability of higher education

The higher education sector will be more sustainable through changes to the sharing of costs between taxpayers and students, improvements to the Higher Education Loan Program (HELP) and strengthening responsibility for recognising and rewarding quality learning and teaching.

- The maximum student contribution will increase from 1 January 2018. The Commonwealth will remain the majority funder of higher education teaching and learning.
- Subsidies provided under the Commonwealth Grant Scheme (CGS) will be subject to a 2.5 per cent efficiency dividend applied in each of 2018 and 2019. The existing medical loading of \$1,394 per EFTSL in 2017 will be extended to include veterinary science and dentistry units of study from 2018.
- A new set of repayment thresholds will be introduced from 1 July 2018, affecting all current and future HELP debtors by changing the timing and quantity of their repayments.
- From 1 July 2019 the indexation of Higher Education Loan Program (HELP) repayment thresholds, currently linked to Average Weekly Earnings (AWE), will be changed to align to the Consumer Price Index (CPI).
- From 1 January 2018, subsidies for Australian permanent residents and New Zealand (NZ) citizens enrolling in a Commonwealth Supported Place (CSP) will be withdrawn, making them fee-paying students. The Commonwealth will instead support permanent residents and NZ citizens through access to income-contingent loans which means that they will not have to meet the cost of upfront fees.

## More choice for students

The Australian Government will make higher education more responsive to all student aspirations, while developing a flexible, well qualified 21st century workforce.

- The Government will commit \$15 million over four years to assist in the establishment and maintenance of up to eight community-owned, regional study hubs across mainland Australia.
- The Higher Education Participation and Partnerships Program (HEPPP) will be reformed to deliver three funding streams to universities – a loading for each eligible low socio-economic status (SES) student, performance funding based on success rates of low SES and Indigenous students, and a National Priorities Pool to give a greater focus on rigorous evaluative research and to encourage collaboration between universities.
- In 2019 the Government will implement a ‘student-centred’ model for the distribution of postgraduate coursework places, ensuring the places are used at the institutions where students want to study.
- The demand driven funding system will be expanded to include Commonwealth Supported Places (CSPs) in approved sub-bachelor level diploma, advanced diploma and associate degree courses at public universities from 1 January 2018.
- A new distribution mechanism for enabling courses will be implemented from 1 January 2019 to better match places to student need. The Commonwealth will also abolish the loading on enabling programs from 1 January 2018 and replace the loading with an equivalent maximum student contribution rate.
- 1 January 2018 Commonwealth contributions for the first time will be provided for Work Experience in Industry units that are credited towards a Commonwealth supported qualification.

## Increased transparency and accountability

The Australian Government will introduce a series of measures to make the higher education sector more accountable and transparent.

- From 1 January 2018 the Government is introducing a performance-based element to the CGS, worth 7.5 per cent of total CGS cluster funding.
- The Government has accepted all recommendations of the Higher Education Standards Panel (HESP) report, Improving the Transparency of Higher Education Admissions. The Tertiary Education Quality and Standards Agency (TEQSA) will be provided \$3.3 million over four years to work with key stakeholders in Australia’s higher education sector to deliver a joint plan to implement the Panel’s key recommendations.
- The Government will work with the higher education sector to establish a more transparent framework for the collection of financial data from higher education providers in order to regularly report on the cost of teaching and research by field of education.
- The Government will undertake a review of the Australian Qualifications Framework (AQF) commencing in the second half of 2017 and to be completed by 31 December 2018.
- HESP will oversee a review of the Criteria for Higher Education Providers commencing in the second half of 2017 and to be completed by the first half of 2018.

For more information visit [the Higher Education Reform Package](#)