

Media release

2 November 2018

Senate urged to vote down student loan ‘cost recovery’ levy

The Innovative Research Universities (IRU) group is urging Senators to vote down a proposed charge on administering student loans that will cost Australian universities \$10 million a year.

The Government is set to introduce the levy as a “cost recovery” measure to claw back spending on the [Higher Education Loans Program \(HELP\)](#) accessed by Australian students to pay fees or study overseas.

The charges were announced in the [2018 Budget](#) and will be put to senators via the [Higher Education Support \(Charges\) Bill 2018](#).

The Department of Education and Training has since proposed the levy is set at \$26,207 per year plus \$1.82 for each registered student – a total cost of around \$100,000 annually for a university with 40,000 students.

If the Bill is passed with the charge still in place universities will begin paying in 2019/20. The Bill has passed second reading in the House of Representatives and is planned to go to the Senate this year.

A second cost recovering charge of \$12,925 is also being introduced via the [Higher Education Support Amendment \(Cost Recovery\) Bill 2018](#) for higher education providers applying for approval to offer FEE-HELP to students.

The IRU has today (2 November 2018) published a policy statement on the two proposals, available at iru.edu.au/policy_submissions/iru-opposes-cost-recovery-for-help-operational-costs

The IRU policy statement states:

Australia’s HELP scheme is essential for maintaining access to higher education with no upfront payments for all Australians. 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.

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.

[Read the full IRU policy statement](#)

iru.edu.au

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About the IRU

The IRU is a network of seven a network of seven comprehensive universities committed to inclusive excellence in teaching and research in Australia.

Its members are Charles Darwin University, Flinders University, Griffith University, James Cook University, La Trobe University, Murdoch University and Western Sydney University.