There are approximately 130 non-university higher education providers in Australia, ranging from niche providers of specialised courses to larger institutions that model themselves directly on university structures and have ambitions to become self-accrediting institutions. Private higher education institutions now enrol approximately 59,000 equivalent full-time students.

Higher education policy should be clear and coherent, with regulation applied evenly across the sector, aiming to provide students with the opportunity to access diverse and high quality education. In turn, this will drive and maintain responsiveness in the education market, with positive flow-on effects to industry and the wider economy. When setting higher education policy a balance must be struck that recognises the institutional, national and global implications of the policy.

Now is an opportune time for the Commonwealth Government to articulate the role of the non-university providers in Australia’s higher education sector. For too long higher education policy has largely equated to university policy, with little or no recognition of the important role of non-university providers.

**ACPET calls on Government to:**

1. Allow students to access a Commonwealth Supported Place at any registered higher education provider
2. Remove unnecessary and burdensome regulation
3. Adequately fund higher education

**Allow students to access a Commonwealth Supported Place at any registered higher education provider**

Student-centred funding provides genuine choice for students, which today is not available to them.

Presently, students that want to study with non-university higher education providers face distorted choices: either accept a cheaper Commonwealth Supported Place at a public university or pay for a full fee place at a provider that might better meet their needs. Students are effectively being penalised because their preferred choice of course or provider happens to be a non-university higher education institution.

Students should be able to use federally-funded Student Learning Entitlements, including credits for special needs, and HECS-HELP access, with any registered higher education provider. Allocation of funding should reward educational quality and outcomes without distinctions between public and private institutions.

Higher education policy must look beyond reputation, size and history. It must look forward in order to set a more flexible and innovative framework that ensures Australia can compete globally as a highly skilled, diverse and productive economy.

Higher education policy needs to place students and the quality of the education they receive – not the type of educational provider they attend – firmly at the centre of the system.

**Remove unnecessary and burdensome regulation**

Higher education providers should compete for students based on the offerings they provide. Demand and funding levers that influence access to higher education providers should focus on the broad skills that the economy needs, not on institutions that provide the qualifications.

The review of higher education regulation must ensure that the Tertiary Education and Quality Standards Agency (TEQSA) successfully acts on its principles of regulatory necessity, reflecting risk, and proportionate regulation to ensure that all low risk, high quality providers receive the same treatment (irrespective of ownership), and that the focus of regulatory attention is on higher risk providers. ACPET strongly supports the regulatory concept of ‘earned autonomy’ for all providers which meet agreed criteria. It must not be limited solely to public universities.

Streamlining regulatory and funding arrangements will create greater incentives for integrated tertiary provision by all higher education providers, allowing them to focus on meeting the needs of students and employers rather than simply responding to the restrictions and limitations of government policy.

Substantial time and effort is spent by providers on meeting overlapping and duplicitious reporting and accountability requirements, particularly for dual-sector providers. This reduces the time and resources that can be directed towards students and learners. ACPET supports current legislative efforts to reduce duplication and streamline regulation, with the proviso that privacy and commercial confidentiality for private providers be taken into consideration when designing and implementing these changes.

Public disclosure of the results of TEQSA’s quality assessments of providers is supported to ensure confidence in the sector and support for the efficient operation of the higher education market.

**Adequately fund higher education**

The higher education funding framework should promote efficiency and innovation for today’s needs and for the long term. Funding should match the true cost of delivery, and ensure that all students be supported in accessing the institutions that best meet their needs.

ACPET believes that funding should be divided into teaching, research and community service components. This would mean that all higher education institutions would be paid for what they deliver, and any expansion of higher education access would be done in a more efficient and transparent manner. This would also drive
excellence in achievement while staying true to equity principles around funding access.

Funding for Australia’s higher education sector should be based on clearly identified underpinning principles including community and industry engagement, research excellence, and access by learners from lower socio-economic backgrounds. Funding should include income-contingent loans and tuition subsidy systems applied equally across both the public and private higher education sector and not distorted by outdated and historical principles.

ACPET agrees with the findings of the Base Funding Review Panel that in the context of a student demand driven system it is essential to have funding more closely aligned with costs. The current funding differentials are inaccurate and require too much cross-subsidisation. Unless this is resolved, as a matter of some urgency, the demand driven system will be inefficient and lead to unintended consequences.

ACPET also calls on the Government to urgently reverse the ill conceived tax on self-education expenses due to be introduced from 1 July 2014.

ACPET is concerned that the Government’s decision to cap education tax deductions restricts and discourages continuing professional development, skilling and education. The $2,000 per annum cap will discourage many people from progressing professional careers and severely impact on the self-employed.