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Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: eec.sen@aph.gov.au

Dear Committee Secretary,

On behalf of the Australian Chamber of Commerce and Industry (ACCI), thank you for the opportunity to provide input on the Universities Accord (Student Support and Other Measures) Bill 2024 (the Bill). ACCI represents a network of more than 400,000 Australian businesses, and is therefore heavily invested in strong outcomes across the tertiary education system.

ACCI largely supports the measures in this Bill and commends the Government's decision to change the way HECS-HELP loan indexation is calculated. Capping the HELP indexation rate to be the lower of either the Consumer Price Index (CPI) or the Wage Price Index (WPI) is a useful way to ensure that inflationary circumstances similar to those of the last two years do not unintentionally pervert the intentions of Australia's world-leading student loan system in the future.

We also commend the introduction of the Commonwealth Prac Payment, which will support the education and training of several critical industries in skills shortage. We look forward to opportunities in the future to work with the Government to expand this program to other occupations with extended practicums such as engineers and veterinarians.

This measure does, however, raise questions around administration of the funds. At this time, it appears unclear what implications there may be for higher education providers administering funds directly to students. We are unaware of any legislative mechanism that would allow a higher education provider to do this without bringing the student on as an employee. If this is correct, we are concerned that this may have tax implications for providers. Greater clarity should be provided on this before this Bill is passed.

ACCI is also supportive of the additional funding to be allocated to enabling courses (the Fee-free Uni-Ready courses). Students should have the freedom to study and train in the institutions of their choice when they have the capability to do so. This measure will help more Australians realise their capability and widen their options

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for their futures. With this in mind, access to the Fee-free Uni-ready courses should be available at the institutions that best meet the students' needs, based on the student's own assessments, rather than government directives. We therefore recommend that this measure be accessible to both public and private institutions.

Finally, we hold concerns about the measure to channel 40 per cent of the Student Services and Amenities Fund (SSAF) revenue to student-led organisations (Schedule 2). Australia passed legislation in 2005 to remove compulsory student unionism. The *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Act 2005* specifies that "a higher education provider must not...require a person enrolled with, or seeking to enrol with, the provider to pay to the provider or any other entity an amount in respect of an organisation of students, or of students and other persons; unless the person has chosen to be or to become a member of the organisation".¹

While the *Universities Accord (Student Support and Other Measures) Bill 2024* does not specify that the student-led organisation to receive funds must be a student union, it is almost inevitable that some of them will be. We are concerned that this measure will mean that students are required to pay a fee but will have no choice as to whether that fee is funnelled into a union or not. Given that the Bill does not repeal the abovementioned provisions of the *Higher Education Support Act 2003*, we seek clarity from the Government on how the proposed amendment would interact with existing legislative arrangements.

To discuss our submission, please don't hesitate to get in touch.

Yours sincerely

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¹ *Higher Education Support Act 2003, s 19-37.*