Higher Education Support Amendment Bill (No. 1) 2012

Coral Dow
Social Policy Section

Contents

Purpose ............................................................................................................................................... 2
Financial implications ......................................................................................................................... 2
Key provisions .................................................................................................................................. 2
  Schedule 1, items 1-9–Amendments relating to indexation ......................................................... 2
  Schedule 1, Item 10–Melbourne College of Divinity .................................................................... 3
  Schedule 1, Item 11–Calculating the bonus for voluntary HECS-HELP payments .................. 4
  Schedule 1, Items 12-15–Dentistry and veterinary science courses eligible for the higher FEE-HELP limit in 2012 .................................................................................................. 5
Higher Education Support Amendment Bill (No. 1) 2012

Date introduced: 15 February 2012

House: House of Representatives

Portfolio: Tertiary Education, Skills, Science and Research

Commencement: Schedule 1, items 1-4, 6 and 9-10: 1 January 2012; Schedule 1, items 5, 7 and 8: 1 January 2011, Schedule 1, item 11: 1 January 2013; Schedule 1, items 12-17: the day after Royal Assent.

Links: The links to the Bill, its Explanatory Memorandum and second reading speech can be found on the Bill's home page, or through http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation. When Bills have been passed and have received Royal Assent, they become Acts, which can be found at the ComLaw website at http://www.comlaw.gov.au/.

Purpose

The Higher Education Support Amendment Bill (No. 1) 2012 will amend the Higher Education Support Act 2003 (HESA) to:

- clarify the application and operation of indexation arrangements for the student services and amenities fee
- clarify courses eligible for the higher FEE-HELP limit in 2012
- update the name of the Melbourne College of Divinity to MCD University of Divinity, and
- make technical amendments to the calculation of the bonus to voluntary repayment of HECS-HELP debt.

Financial implications

The Explanatory Memorandum states there is no financial impact.

Key provisions

Schedule 1, items 1-9–Amendments relating to indexation

The Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010 was introduced in September 2010 but passage was delayed until 2011. The Bill amended the Higher Education Support Act 2003 to allow, through section 19-37, higher education providers to charge
students an annual capped compulsory student services and amenities fee of $250 plus indexation from (‘on or after’) 1 January 2011.¹

It was originally intended that the student services and amendment fee would commence on 1 January 2010 and indexation would apply from 1 January 2011. Passage of the Higher Education Legislation Amendment (Student Services and Amenities) Bill delayed commencement of the student services and amendment fee to January 2012. However, prior to passage of the Bill section 198-5 of the HESA was amended by the Indexation Act necessitating the current amendments to clarify the 2012 maximum amount.

Items 1-9 clarify that the maximum amount of the student services and amenities fee as at 1 January 2012 is $263 and indexation will occur from 2013.²

**Schedule 1, Item 10—Melbourne College of Divinity**

Before a higher education provider can receive grants or its students receive assistance from the Australian Government under the HESA, it must be approved by the Minister under section 16-25 of the HESA. Those providers that are approved by the Minister are listed in Tables A, B or C of HESA.³

Table A providers are eligible for all Australian Government grants and their students are able to receive all forms of Australian Government higher education assistance. Table B providers are eligible for some grants, as outlined under section 41-10 of HESA, and their students can receive FEE-HELP assistance for tuition fees or HECS-HELP assistance for their student contribution amounts if they are enrolled in a Commonwealth Supported Place in a national priority course. Table C providers, which are mostly self-funding, are not eligible for Australian Government grants but are eligible for Commonwealth Supported Places for national priority courses.

The Melbourne College of Divinity is a Table B provider. The amendment to change the reference from ‘Melbourne College of Divinity’ to ‘MCD University of Divinity’ at subsection 16-20(1) of the HESA does not change the institution’s standing under HESA; that is, it has no bearing on the institution’s eligibility for Australian Government assistance. The amendment simply recognises that the Melbourne College of Divinity’s application to the Victorian Registration and Qualifications Authority (VRQA) for approval to operate as an Australian university has been assessed in accordance with the relevant provisions of the Victorian Education and Training Reform Act 2006, the Protocols and associated National Guidelines for Higher Education Approval Processes, and

---


³ Table A providers are listed at section 16-15, Table B providers at section 16-20 and Table C providers at section 16-22.

**Warning:** All viewers of this digest are advised to visit the disclaimer appearing at the end of this document. The disclaimer sets out the status and purpose of the digest.
approved by the VRQA and the Victorian Parliament. The VRQA’s approval is for an initial five year period until 31 December 2016.  

A university is an institution that meets the requirements of the National Protocols for Higher Education Approval Processes (the Protocols); is established or recognised as a university by or under a law of the Commonwealth or a state or territory, and whose name is included in the Australian Qualifications Framework Register (the Register) as an Australian university. Approval of the Melbourne College of Divinity’s application for approval to operate as an Australian university makes the MCD University of Divinity the first higher education provider in Australia to be granted Specialist University Status. Under the National Protocols, a Specialist University must be able to offer research masters and PhDs in one or two broad fields of study. MCD offers courses from diploma to postgraduate level in ministry, theology, and philosophy.

Schedule 1, Item 11–Calculating the bonus for voluntary HECS-HELP payments

Item 11 repeals subsection 151-5(4) and substitutes a new subsection 151-5(4)

Under the HESA, students with a HECS-HELP debt can make a voluntary repayment towards their debt to the Australian Tax Office at any time. Payments of $500 or more receive a 5 per cent bonus on the payment amount.

The Bill provides that when calculating the effect of a partial repayment the amount would be rounded up to the nearest dollar (at present it is rounded down).


6. Under section D 8.8 of the National Protocols: An institution approved to operate under criterion D7 with a specialised university title may use the term “[Name] University of [specialisation]” as part of its title (for example, Perth University of Agricultural Sciences or Brisbane University of the Performing Arts). The title must not be shortened to ‘University’ in advertising or formal documentation. Conditions may include a specific period after which renewal of the authority for use of the specialised university title must be sought. See also: A Trounson, ‘College of divinity to be next university of specialisation’, The Australian, 31 August 2011, viewed 1 March 2012, http://www.theaustralian.com.au/higher-education/college-of-divinity-to-become-university-of-specialisation/story-e6frgcjx-1226126431994
**Schedule 1, Items 12-15—Dentistry and veterinary science courses eligible for the higher FEE-HELP limit in 2012**

Part 3-3 of the HESA deals with FEE-HELP assistance.

A student who is not a Commonwealth Supported student (that is, does not have a HECS place and pays full tuition fees) may be eligible for a FEE-HELP loan to pay tuition fees. The amount of assistance to which the student may be entitled is based on his or her tuition fees for the units, but there is a limit on the total amount of assistance that the student can receive.

Under section 104–20 of the HESA the FEE-HELP limit is: $80 000; or in relation to a person who is enrolled in a *course of study in medicine, a *course of study in dentistry or a *course of study in veterinary science, while the person is enrolled in that course—$100 000. These amounts are indexed and in 2012 the upper limit is $112 132.7

The purpose of items 12-15 is to amend the definitions of a course of study in dentistry and course of study in veterinary science to mean a course of study which would satisfy the minimum academic requirements for registration as a dentist or a veterinary surgeon regardless of whether further study is completed before registration is sought.

The Explanatory Memorandum states:

This will prevent a person from having access to the higher FEE-HELP limit where they choose to continue studying beyond the minimum level of study required for professional registration. A person will not have access to the higher FEE-HELP limit regardless of whether they choose to register as a dentist or a veterinarian. For example, a person who chooses not to register as a dentist after completing the minimum academic requirements and instead decides to go on to further study to specialise in a particular area of dentistry will not have access to the higher FEE-HELP limit beyond completing the minimum academic requirements for professional registration.8

The aim is to ensure Government costs associated with FEE-HELP loans are contained. It is difficult to assess the impact of this measure. FEE-HELP is only available to domestic students paying full fees. The Rudd Labor Government phased out full fees at undergraduate level in public universities but domestic students can be charged full fees (and therefore access FEE-HELP) for post graduate courses. Dentistry and veterinary science are offered by a small number of universities among which there is a move to what has been called a ‘US model’ of offering a general pre-professional degree

---


**Warning:** All viewers of this digest are advised to visit the disclaimer appearing at the end of this document. The disclaimer sets out the status and purpose of the digest.
followed by a postgraduate qualification before registration. Providers of such post graduate courses can charge fees and if, as the Bill proposes, the course is part of the minimum requirement for registration the student would be able to access FEE-HELP. However students undertaking specialist registration courses would not be eligible for FEE-HELP assistance.