



Submission to the Australian Government Competition Policy Review Draft Report

Bond University

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Bond University
Gold Coast, QLD 4229
Contact: Ken Richardson- Executive Director, People, Planning and Strategy
Email: krichard@bond.edu.au
Phone: 07 5595 5640
Website: www.bond.edu.au
ABN: 88 010 694 121

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Bond University is grateful for the opportunity to review the Competition Review Panel's Draft Report. We welcome the Panel's recognition of the importance of access to high quality services, including higher education, for the well-being of our citizens and the prosperity of our nation. Bond's initial submission to the Competition Policy Review, which argued for greater diversity and stronger competition in the higher education sector, is entirely consistent with Draft Recommendation 2.

Bond University also welcomes the Draft Report's recognition of the importance of competitive neutrality principles and its call, in Draft Recommendation 13, for a renewed commitment to the practical application of those principles at all levels of government.

Elements of current higher education policy within Australia are in direct conflict with the recommendations of this Draft Report. In particular:

- A 25% loan fee is charged on FEE-HELP loans to domestic fee-paying undergraduate students at private universities. This loan fee does not apply to students who borrow through the HECS-HELP scheme to support study at a public University, and acts against choice and competition.
- There are lifetime borrowing limits on FEE-HELP loans. There are no equivalent limits on HECS-HELP loans given to students who choose a public university.
- Private universities are excluded from Commonwealth Government tuition subsidies. The extension of demand-driven student places to all undergraduate and sub-degree students who choose a private institution, and the development of differential funding levels so that the level of subsidy appropriately reflects the expectations and obligations of the type of institution, would promote efficient competition between public and private institutions.

The Panel will be aware that the *Higher Education and Research Reform Amendment Bill* that is currently before the Senate would, if passed, remove these obstacles and introduce a more level playing field for the sector. However, the passage of this Bill is uncertain.

In determining priority areas for competition policy reform the Panel notes that if a reform promotes choice, diversity and innovation in markets for private and/or government goods and services then the reform should be given priority. Properly implemented, competitive neutrality in the higher education sector would ensure that user choice and diversity could drive the quality of education that is essential to Australia's future social and economic well-being. This is a reform worthy of prioritisation.

Bond University also believes that higher education is a priority area for reform, and suggests that the Panel elevate its importance and draw attention to the particular circumstances of the higher education policy in the commentary and views surrounding Recommendations 2 and 13.