

## **Higher Education Review Submission:**

### **Repeal the Minimum Indicative Fee Requirements**

#### Introduction

I am making a submission in relation to one particular existing policy; the minimum indicative fee (MIF) for overseas students. I have written my submission in terms of the pros and cons of the MIF. But I appreciate that the review discussion paper poses questions for discussion. If it is necessary to categorize submissions in relation to the questions for discussion this submission most closely relates to questions:

22. Are there any unintended consequences of the current approach to internationalisation of higher education in Australia?
23. What is an appropriate role for government in assisting the Australian higher education system to internationalise? On what principles should this role rest and what purposes should it serve?

As the submission shows; maintaining the MIF system limits the extent to which the Australian education system is fully internationalized.

#### **Submission that the Minimum Indicative Fee be abolished:**

Current legislation requires that overseas students be charged a fee that is no less than the “Minimum Indicative Fee” (MIF). The level of the MIF is set by legislation and the effect of the rule is to ensure that overseas students are charged a higher fee than Australian students.

My recommendation is that the MIF be abolished and universities be given the same level of flexibility to set charges for overseas students that they have for domestic students.

In a globalized world it is not always self evident that people should pay a different price simply because of which country they come from. We would rightly criticise an Australian restaurant or cinema which charged an extra 10% to people simply because they are not Australian citizens. We know that is an inappropriate way to treat people, and also know it would only have the long run effect of making the said non Australians think of us as not respecting them as equals. Why not also criticise a rule which demands we charge people more because they are from overseas?

I summarise below the key points against the MIF rule and show the weaknesses of some defences of it.

### **Key points against the MIF:**

1. *Human rights*: We all share a common human identity and should not discriminate against our fellow humans simply because they do not have a piece of paper saying they share our citizenship.
2. *Incongruous with Australia's current globalizing policy*: Various parts of the higher education review discussion paper refer to the need for the ongoing internationalization of the Australian education system and note that such internationalization is a two way process. Having one price for locals and another price for foreigners is the mark of parochial system not of a globalized one. This effect is made worse when the "foreigners price" is enforced by government statute and cannot even be described as autonomous institutions and individuals reacting to factors which may cause them to charge different prices to people from different places.
3. *Long term harmful effect on Australia's reputation*: People do not fail to notice when they are treated differently to their fellow human beings. Overseas students charged a higher price than locals will have double the cause to complain if there is anything wrong or inadequate with the education they receive. Likewise, as many overseas students are from countries which have been perceived as less developed than Australia it increases the chance of them perceiving Australians to be arrogant in the view that Australia is somehow intrinsically superior and therefore non Australians must automatically pay a higher price for the privilege of coming here.
4. *Incongruous with maintaining Australia's academic standards*: This argument is less clear and certain, but maintaining a higher price structure for overseas students could contribute to a complacent mentality. By legislating that we can charge more to overseas students we legislate the idea that our education is superior rather than leaving it to us to make sure that it is superior. This can lead to complacency. However I view this as a minor and debateable argument in the overall case against the MIF.

### **Defences of the MIF and their weaknesses:**

1. *Other Countries do it*: It is true some other Countries have a legal requirement of something similar to the MIF, and others do not. In any event this is not a serious argument. If there is good reason to change something we change it regardless of whether other people change. The arguments for giving up smoking are not vitiated by the fact that some people still smoke.
2. *Without a MIF universities will have to charge the same price for the same service*: Of course I do not see this as a problem. But, in any event, forcing universities to charge the same price for the same service would not be the automatic consequence of abolishing the MIF. Abolishing the MIF simply removes a Government requirement that overseas students be charged a higher price. Universities presumably could still charge a different fee to overseas students if they wished to, using the fee flexibility provisions of the Higher Education Support Act 2003 (HESA).
3. *Without a MIF overseas students will not pay the full cost of their education here as they will not stay around to pay the taxes over their lifetime that also contribute to university funding*: This argument represents a serious concern. But if we were to apply it logically to Australia we would require overseas

visitors to pay extra for any service they utilise which has had some taxpayer contribution. For instance we would expect them to pay a higher price for bus tickets, train tickets, bridge tolls, highway tolls, museums, art galleries, zoos, admission to many sporting events, visits to doctors, the purchase of any product made in Australia with the help of subsidies or tax credits and so on. Clearly we do not apply this logic anywhere else in Australia. We realise that to do so would be an unwarranted form of discrimination and do not practice it. It is ironic that we expect the education sector to go on being the one “unenlightened” sector of the Australian economy that is actually required by law to charge a different price to people from overseas.

**Positive benefits of abolishing the MIF:**

1. Australia has a more positive and welcoming image to overseas students.
2. Australia can claim to be genuinely moving to internationalize rather than maintaining a two tier local/foreign fee structure.
3. Australia will be in more of a leadership than catch up position re globalization.
4. Universities and higher education providers will have a greater opportunity to charge an appropriate price for services offered.

**Conclusion: Abolish the MIF:**

If the Australian education system is to move forward and fully internationalize it needs to embody one of the core ideals of education since the times of Confucius features of any system

The archetypal western educator, Socrates, made clear that he would engage in the quest for wisdom with all who were interested. He did not develop a system of fees based on nationality. The archetypal eastern educator, Confucius, also welcomed all who were interested in learning. Confucius did indeed develop an embryonic fee system, but it was based on people’s capacity to pay rather than their nationality. Both Confucius and Socrates welcomed all who were interested in learning

Abolishing the MIF gives the Australian higher education system a greater chance of embodying the very ideals that gave rise to the concept of higher education.

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