

# 2020 Budget Bites Education



**Government is funding the vaccine elsewhere in the Budget and this will be the ultimate saviour of the education sector.**

## Key takeaways

### Government assumptions

- Government's assumption that international students will return to Australia by late **2021** in line with **vaccine**.
- Gradual return of international students is assumed through the latter part of 2021 (with small, **phased pilot programs** beginning to return international students from late 2020).

### Higher education

- \$300m for **12,000 new undergraduate places in 2021** with an additional 39,000 places by 2023 and 100,000 by 2030.
- Additional funding, \$251.8m over 2 years, for **short courses** at higher education providers for courses in designated sectors such as **agriculture, health, IT, science and teaching**
- Additional R&D funding for Universities **\$1bn** via an increase in the existing **Research Support Package Program**
- \$41.6m over four years from 2020-21 to establish a Strategic University Reform Fund to **bring together universities and local industries** to partner on innovative reform projects
- Increase in R&D incentive likely to create/increase **collaboration arrangements** between corporate entities and universities to maximise R&D claims
- \$146.3m over 5 years in programs to improve educational outcomes for **vulnerable and disadvantaged young Australians**.
- Assisting students by **reducing the FEE-HELP loan fee** from 25 cents to 20 cents.

### Regional assistance

- Government has not forgotten regional education with \$259m to support higher education reforms and **more job ready graduates**.

### Vocational education

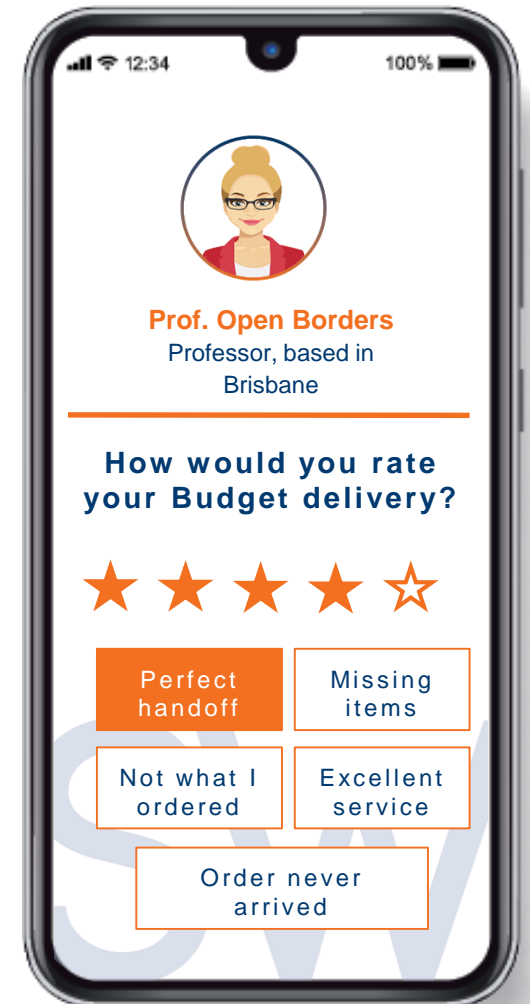
- Support of additional 100k **apprenticeships** by providing for 50% wage subsidy for new or re-commencing apprentices or trainees
- \$49.5m to fund an additional 14,485 places in Skills for Education and Employment program to **assist job seekers** with improving basic skills in literacy, numeracy and language.

### International student concessions

- Relaxation of work limits for international students working in aging and **aged care industry** to address staff shortages (allowed to work up to 20 hours)
- Change to **VISA rules in terms of changes** to skills required. these concessions apply to sub-class 485 and sub-class 500.

### Employer and individual concessions

- JobMaker scheme will provide **\$200 per week rebate** to employers who employ staff under age 30 and \$100 between 30-35 years.
- Tax concessions available to for-profit education providers in respect of instant **asset write off** and **carry back of tax losses against** prior taxable years.
- Expansion of **FBT exemption** to support retraining of staff that are or soon to be made redundant to facilitate career change.
- Government to consult to allow individuals to **claim tax deduction** where FBT exemption not available.





## Key takeaways (continued)

### Support for Female Students

- Expansion of **Boosting Female Founders**, supporting 282 start-ups and 4,300 mentoring engagements for female entrepreneurs. \$25.1m over 5 years to assist 500 women into STEM careers and \$10m in grants for the Women in STEM and Entrepreneurship (WISE) grants program to deliver at least 20 additional projects to increase women's participation in the STEM sector.

### Impacts to your business

- The increase research funds available do not adequately address the shortfall arising from the loss of revenue from international students and international research funds. Also it requires the University to invest in research in order to receive the funding.
- Higher Education institutions will need to assess whether the **benefit** of funding for additional short courses will cover the **cost** of implementing the short courses. What is the likely long-term demand for short courses.
- As a result of the increase in apprentice and skills training programs, likely TAFES will have an increase student demand, although need to assess cost of delivering course programs, associated infrastructure and administrative costs.
- Additional funding for disadvantaged people and women will create new revenue for education institutions.
- Visa rules may create opportunity to increase demand for international students.



### Opportunities for growth and stability

- Proposed change to funding model to funding higher education courses may result in an adverse impact on revenue. Opportunity for growth is supporting more STEM and teaching courses
- Potential increase in revenue for higher education providers who supply short courses, STEM and teaching courses.
- TAFEs have potential increase in demand for vocational courses.
- Potential for revenue growth from developing courses that support initiatives for women and disadvantaged Australians.

### Did the Budget deliver what you ordered?

It has been an extraordinary year of upheaval as the nation grapples with the effects of COVID-19 and we recognise that everyone has been impacted in different ways.

The Budget for the education sector does not adequately address the challenges raised by the decline in international students and availability of international and domestic research funding.



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