



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Higher Education Support Amendment
(Savings and Other Measures) Bill 2013**

Second Reading

SPEECH

Thursday, 21 November 2013

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker	Pyne, Christopher, MP	Question No.	

Mr PYNE (Sturt—Leader of the House, Minister for Education) (09:28): I move:

That this bill be now read a second time.

The coalition government is committed to ensuring that Australia has a strong, high-quality university system now and in the years and decades to come.

This bill will give effect to higher education savings measures of the previous government, announced by the then minister for tertiary education on 13 April and confirmed in the 2013-14 budget.

These are Labor's cuts. These cuts of April came on top of repeated attacks by Labor on support for universities, for students, and for research. These cuts show just how damaging to the university sector the previous government was. They show clearly that Labor is no friend to universities. They show that Labor is no friend of students or higher education.

We are very pleased that we have been able to reverse one of Labor's most foolish and damaging measures—the cap on tax deductibility of self-education expenses. The vast majority of those who claim for self-education expenses earn less than \$80,000 a year. This cap was going to hurt our nurses, teachers, doctors and other front-line services. Not only that, it would add to the burden on universities and professional and other bodies.

By 'scrapping the cap' this government is sending a clear message that the resources available to universities and students will be greater under the coalition than they would have been under Labor.

However, given the fiscal mess we have inherited from Labor as a result of their incompetence and wasteful spending, we have no responsible choice but to proceed with the other measures announced by Labor in April. We need to fix the budget for the long term and only by doing so will we ensure the sustainability of funding for the higher education sector. In addition to the measures in this bill, the Minister for Social Services will bring forth measures to implement the other part of Labor's April decisions—Labor's decision to convert start-up scholarships for students into loans.

Turning to the specific provisions of this bill: schedule 1 of the bill amends the Higher Education Support Act 2003 (HESA) to abolish the HECS-HELP discount. Schedule 2 amends HESA to abolish the HELP voluntary repayment bonus. Currently, students receive a discount of 10 per cent on their student contribution by paying the amount up-front and an additional five per cent reduction in their HELP debt by making a voluntary repayment of \$500 or more.

Schedule 3 of the bill amends HESA to apply an efficiency dividend of two per cent in 2014 and 1.25 per cent in 2015 to Commonwealth contribution amounts under the Commonwealth Grant Scheme. The efficiency dividend will not be applied to student contribution amounts but does impact on university revenues over 2014, 2015 and the years following. Future years will be indexed from a lower base because of this cut from the previous government.

Schedule 4 makes a minor amendment to HESA to reflect the change of the name of the University of Ballarat to the Federation University. The Victorian parliament passed the University of Ballarat Amendment (Federation University Australia) Act 2013 earlier this year to change the name of the university with effect from 1 January 2014. The new name, a decision of the Victorian parliament, reflects the planned broader role envisaged for the university and evident in the transfer of Monash University's Gippsland campus to it.

The coalition government is committed to a strong, vibrant university sector. The fiscal mess that has been left to us by the previous government leaves us with no practical alternative but to proceed with Labor's cuts. Their

mismanagement has meant that the budget which they inherited in significant surplus has now become a budget in massive deficit, with the nation saddled with huge public debt.

As a result, our high performing higher education sector is required to live with measures that contribute to restoring the budget to health. That we have no option but to enact Labor's cuts does not in any way diminish our commitment to supporting a high-quality and accessible higher education sector in Australia. Labor's cuts show how empty their claim is, to be a friend of universities and students. This coalition government is the true friend of universities, of high-quality teaching and learning as well as of research, and of students. Coalition governments have a proven track record of support for universities—and also, sadly, of having to clean up Labor's messes.

As the Prime Minister pointed out in his address to Universities Australia in February, the principal founder of the Liberal Party, Sir Robert Menzies, had what he himself described as a 'passionate belief in pure learning'. The creation of new universities, the increase in the numbers attending them and much greater support for students was one of the main legacies of his long tenure.

The Prime Minister also pointed out that, over the term of the Howard government, the number of students in higher education increased by 63 per cent, the number of postgraduate students by 118 per cent, the number of students from low socioeconomic backgrounds by 23 per cent and the number of students with disabilities by 140 per cent.

Under the Howard government, as the Prime Minister said, total government funding increased by 13 per cent in real terms and total funding by 65 per cent. And of course, we established the \$6 billion Higher Education Endowment Fund (since raided by Labor) to provide a guaranteed stream of income to the higher education sector for improved capital works and research facilities.

In that same speech, the Prime Minister laid down seven principles and policy directions for higher education that the coalition would follow if elected to government. The first and most important is to be a stable and consultative government. The second is to encourage Australian universities to protect their academic standing so that students can be confident that their degrees are taken seriously. The third is to work with universities to expand their share of the international higher education market. Fourth, we committed to a New Colombo Plan, building on the original one that brought tens of thousands of students from around our region to study in Australia by sending Australian undergraduates to study in the Asia-Pacific region. Fifth, we committed to encourage universities and institutes to ensure that their research work is world class, effectively delivered and well targeted, and to reduce the burden of grant applications. Sixth, we said that we would help to foster the creative and economic potential in our education and research sector by reducing their regulatory and compliance burden. Seventh, and finally, the coalition committed to helping Australian universities to be able to take advantage of the growth in online learning, such as the development of massive open online courses—otherwise known as MOOCs.

In the few weeks that this government has been in office, we have already taken many steps that implement these pledges and that demonstrate our commitment to higher education. We have been engaging in real consultation with our universities. As well as scrapping Labor's cap on tax deductibility for self-education expenses, we have acted to support the capacity of our universities and other higher education providers to attract international students to Australia. We have simplified the assessment level framework and extended the scope of streamlined visa processing for international students, and we are working towards a national strategy for international education and other measures recommended in the Chaney report and mentioned in my recent speech to the Australian International Education Conference. We are working towards the pilot programs for the New Colombo Plan, with Indonesia, Singapore, Hong Kong and Japan all having agreed to be Australia's partners in these.

We are recognising the most outstanding university teachers and programs that enhance learning in Awards for University Teaching created under the Howard government. We have announced \$522 million in grants and fellowships to support 1,177 research projects recommended by the Australian Research Council following competitive peer review processes. We are lifting the heavy burden of compliance and regulation on our universities through giving a ministerial direction to the Tertiary Education Quality and Standards Agency to engage in genuine consultation, including through an advisory council we are creating; to deregulate; and to report progress, including on cost savings to universities from this deregulation. We are ensuring that the burden of reporting requirements on universities is reduced. We are taking stock of the progress of the demand-driven system for higher education funding with expert reviewers assessing how the system is performing, and how it

can be improved, including to ensure that appropriate measures are taken to ensure the high quality of graduates from our universities.

Labor's cuts—outlined in this bill—would be unnecessary but for Labor's profligacy, their sustained and irresponsible spendathon, and their disregard for the sound financial management that is essential for the health and vitality of our universities. This government is committed to ensuring sound financial management, and to ensuring that Australia has a world-class university system now and for the future. Cleaning up Labor's mess is an essential starting point for this.

I commend the bill to the House.

Debate adjourned.