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**HOUSE OF REPRESENTATIVES**

**BILLS**

**Higher Education and Research  
Reform Amendment Bill 2014**

**Second Reading**

**SPEECH**

**Wednesday, 3 September 2014**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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| <b>Speaker</b> McCormack, Michael, MP   | <b>Question No.</b> |

**Mr McCORMACK** (Riverina—Parliamentary Secretary to the Minister for Finance) (16:51): As I make my contribution to the debate on the Higher Education and Research Reform Amendment Bill 2014 I am very pleased to see students from Griffith East Public School present in the gallery. This legislation is going to affect them. It is going to give them a more sustainable higher education system that they will benefit from. Griffith has a special place in my heart. My daughter, Georgina, teaches at Griffith High School. She is certainly helping to turn out some very good students who hopefully will go on to tertiary degrees. If they choose to get a trade certificate, they will also benefit from some of the reforms that this government is bringing in to help kids who choose not to go on to higher education but to go a different pathway and into a trade.

Certainly as far as higher education is concerned and certainly for the kids from Griffith East Public School, I am sure that the reforms we are hoping to get through the parliament will make a significant change to their lives, for the better. I am pleased that the member for Hunter has also taken the time and trouble to join me in the chamber, as he promised earlier, because he is a good man and he keeps his word I am sure on most things. I would like to tell the member for Hunter that by placing university funding on a sustainable footing, expanding opportunities for more students and freeing universities to compete, the government is securing the future of higher education in Australia. Labor cut more than \$3 billion from higher education in just their last year of office, including Labor cuts to higher education—

**Ms Kate Ellis interjecting—**

**Mr McCORMACK:** I hear the member for Adelaide. She will agree with me that they are now blocking in the Senate and now they are vowing to stand in the way of higher education reforms which higher education leaders overwhelmingly believe are necessary. The Leader of the Opposition and member for Maribyrnong, Labor and the unions are not only hypocrites but they are blocking supported access to higher education for 80,000 more Australians, but they have no plan for tertiary education. Meanwhile the government, this side, is getting on with the job of giving Australia the very best higher education system in the world. We have to because it is one of our highest export earners.

This bill will deliver the fundamental and historical reforms to change the higher education sector for the better. This is the biggest reform in higher education for well over 40 years and it is reform called for by the tertiary education sector. There are many elements within this reform bill which will bring significant benefits to universities and to students right across the country, including to Griffith East Public School. However, I would like to contribute to this debate by discussing the impact of this bill, particularly in rural and regional communities such as those in my electorate of the Riverina. Arguably, rural and regional Australians have the most to gain from the government's higher education reforms. Under this government, funding for higher education is increasing, including the total Commonwealth Grant Scheme funding for student places and regional loadings.

**Mr Fitzgibbon:** This is rubbish!

**Mr McCORMACK:** You had your go; now listen to me! Deregulation of the higher education sector will encourage competition and will enable all universities, in particular, regional based universities—

**Mr Fitzgibbon:** The students have gone.

**Mr McCORMACK:** They have to go to the War Memorial. They have to go to other places.

**Mr Fitzgibbon:** They've had enough.

**Mr McCORMACK:** They are probably going to fill in their university acceptance forms for 10 years hence—to position and market themselves based on their disciplinary specialities, a competitive price structure and improved quality of life for students. From a National Party perspective, these reforms will have a significant

impact in the regions and will benefit regional students, regional universities, business and industry and the community more generally. These reforms will encourage competition, provide greater choice for students and ensure that Australia is innovative and competitive on a global scale. It is important for the nation that regional Australia can fully participate in the modern economy and drive upwards the value of higher education in this country and internationally. The first step in working to achieve this is to address the disparity between those who have a degree in regional Australia compared to those in metropolitan cities.

The statistics which compare regional students to their city counterparts and their uptake of tertiary education pathways are quite disturbing. The majority of regional young people do not go into higher education. This is due to a variety of factors, but the financial barriers which regional families face to enable their sons and daughters to move away from home to pursue a tertiary education pathway are significant. It is an impediment on many, which surely means they do not get to pursue their dreams.

The figures are concerning in that just 17 per cent of 25- to 34-year-olds from regional areas have a bachelor degree or above, compared with 36 per cent from the same age group who live in the cities. In remote areas the figure is even lower at 15.4 per cent. There is a lot of hard work that needs to be done to bridge the gap between regional and city based students. We, as the government, have an obligation to do what we can to facilitate an increase in regional student participation rates in higher education. That is why The Nationals in government with the Liberals are committed to supporting regional students and why these reforms will change higher education for the better.

The major proportion of the 80,000 additional students who will benefit as a result of the government opening up the higher education system will be from lower socioeconomic and disadvantaged families. For regional students, the new Commonwealth Scholarships Scheme will create major opportunities to enable them to attend university. This is the largest Commonwealth scholarship fund in Australia's history and will require universities and higher education institutions to provide dedicated support to disadvantaged students. Our best and brightest students from the most disadvantaged backgrounds will have greater opportunities to pathways in tertiary education and will be provided with financial supported to assist with living their costs. They will no longer be held back by financial barriers.

This bill will help to bridge the divide between rural, regional and metropolitan students and will increase participation for low socioeconomic students and regional students. A highlight of these higher education reforms is that we have expanded the Higher Education Loan Program to encompass an uncapped number of diplomas, advanced diplomas and associate degrees as a pathway to get into undergraduate degrees. Regional students will be big beneficiaries of this historic reform—and it is historic. These subdegree pathways are opportunities which our regional young people are more likely to take and are a proactive way of addressing trade and skills shortages in the regions. Consequently, regional universities will be able to offer more of these types of study options, attracting more students and therefore becoming more competitive within the tertiary education sector. Also, by setting their own fees from 2016, regional universities will be able to successfully compete to attract more students and the students will directly benefit from the greater competition between universities.

There is no doubt that under these reforms, the HELP loan scheme remains the very best loan available to an individual in the country. It is a great deal for students—a low interest loan, no upfront costs, the Commonwealth acts as a guarantor and not a cent is required to be paid back until they are receiving a decent income, \$50,000, upon graduation as a result of their education.

I listened very carefully to your excellent contribution, Member for Hughes, when you said that the interest rate will be at the 10-year bond rate which, as you pointed out, is 3.36 per cent—compared to a personal loan of 12 to 13 per cent, credit cards of 17 to 20 per cent, small business loans around 10 per cent or housing loans around six per cent. As you said, Deputy Speaker Kelly, in your contribution, sticking up for the students in your electorate of Hughes, that is the very best loan that they will ever get in their lives. What a great deal. There are significant benefits for regional communities in attracting students from across the country to undertake study in a regional setting. By studying at a regional university, students will experience a better quality of life—I believe that it is a better quality of life in Wagga Wagga than in Adelaide, the seat of the shadow minister at the table, but that is just my opinion—and bring significant benefits into local communities.

I would like to point out that the majority of students who study in the regions are more likely to remain in regional and rural areas. In fact, estimates show that those who are from the regions and study in the regions are

around 70 per cent more likely to stay there. Therefore, if a greater amount of regional students have a tertiary qualification, as they will under these reforms, we will be increasing human capital and thereby enhancing the value and capacity of the regions and the local communities. We want regional students to realise, to be able to reach, their full potential. By providing new pathways under these reforms, our students will be able to be experts in specialist fields and leaders on the national and global stages.

For the very first time, regional universities will be able to compete on price with their city counterparts. This government has committed \$274 million in regional loading over the next four years to support regional universities. The government listened to the concerns of regional universities while constructing these crucial reforms. In July, the Minister for Education, Christopher Pyne, toured regional Australia, visiting universities in towns from Mildura to Dubbo, Lismore, Mackay and Rockhampton—and in Wagga Wagga, Charles Sturt University, in my own electorate. Throughout this tour, the minister saw firsthand the specialisation and type of education which makes the experience of studying at a regional university distinctly different from the educational experience in a metropolitan area. Regional universities have a lot to offer in a competitive, deregulated higher education sector.

James Cook University in northern Queensland is world renowned when it comes to marine science and biology. At La Trobe University in Bendigo, Victoria, they are experts in the field of water management efficiency, with direct relation to the Murray-Darling Basin of which I am so fond. La Trobe also run a renowned pharmacy program; indeed, I note that the national Pharmacy Student of the Year 2013 was a pharmacy student from La Trobe, Bendigo. The University of New England in Armidale is the leading Australian university in distance and online education. It is the third largest and has the equal highest course satisfaction rate and high graduate salaries. UNE are leaders nationally and internationally in research, with an emphasis on interdisciplinary research on tackling complex problems in rural and regional Australia. Former Prime Minister and Leader of the Country Party Sir Earle Page was the first chancellor of the then University of Sydney Armidale campus, and a residential college was named after him, as it should be, in his honour.

Charles Sturt University, which has a campus at Wagga Wagga, is a great example, with each of its regional campuses having a specific disciplinary focus and specialist area. Orange is renowned for dentistry, pharmacy and agriculture and viticultural science. Bathurst has well-regarded degrees in journalism and communications, teaching and business. CSU Albury are specialists in physio. In my own electorate, at CSU Wagga Wagga, the education, nursing and veterinary programs are highly regarded. CSU Wagga Wagga are internationally accredited leaders in animal research, and the current veterinary school is named after my predecessor as the member for Riverina, the wonderful Kay Hull.

I have had numerous conversations with CSU Wagga Wagga Vice-Chancellor Professor Andrew Vann about the government's higher education reforms. In fact, I sat with the professor at dinner on both 22 July and 21 August. Professor Vann and I have had our differences in relation to the government's reforms; I acknowledge that. I also acknowledge the professor's concerns about the affordability of higher education and tuition fees for regional students. But I would like to assure Professor Vann that affordability and support for students is something that my colleagues and I in the National Party are aware of and are certainly talking about.

At The Nationals Federal Council last weekend, right here in Canberra, the council endorsed a motion expressing support for university fee deregulation. The motion also encapsulated the intent to call for greater weighting of scholarships to regional universities on a needs basis, due to the greater capacity of larger, city based universities to allocate funds from their higher fees to offer more scholarships. The minister has established working groups to work through the detail of how we might structure Commonwealth scholarships to ensure they meet our goal of greater equity in accessing higher education so that students from regional and rural Australia will no longer be held back by financial barriers.

The disciplinary fields in which regional universities excel will drive domestic competition, build Australia's reputation in the education and research sector, and result in regional unis becoming global leaders. I am quite sure of that. By diversifying and expanding our tertiary education sector, regional universities will be less vulnerable and more competitive with metropolitan based universities. Given a third of the country's population lives in regional Australia, it is critically important that greater emphasis be placed on regional education.

By investing in our regional unis, we are investing in regional Australia's future, and that is so very important. In doing so, we are building national productivity growth, creating diversity and competitiveness in the regions,

building a platform for becoming global leaders and innovators, creating an insurance policy for regional Australia's future and ensuring that regional students can reach their full potential. Our regional universities can be world class. These reforms will give them the best chance, to date, of competing at the top.

I commend Senator Bridget McKenzie from The Nationals for her extensive and proactive work within higher education; she has engaged comprehensively with education providers and the wider tertiary sector, and is Chair of the Senate Education and Employment Legislation Committee. In fact, only yesterday afternoon, Senator McKenzie met with the Regional Universities Network here in parliament. The network supports reform of the higher education sector, and Chair Professor Peter Lee has said:

We are particularly pleased that the Government has decided to keep the demand driven system for bachelor places and extended it to sub-bachelor places. This will assist in providing pathways and lift participation in higher education in regional Australia for less well prepared students ...

I commend the bill to the House.