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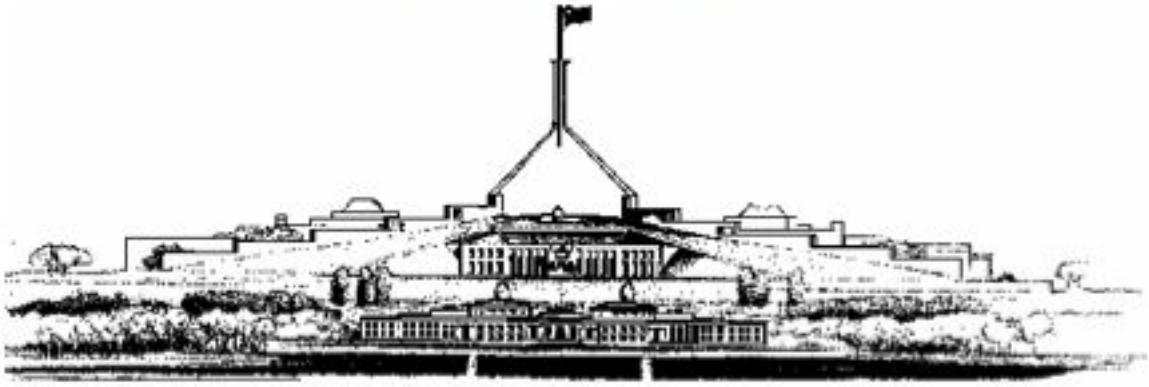

HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

Higher Education Support Amendment (Further Streamlining and Other Measures) Bill 2013

Second Reading

SPEECH

Tuesday, 12 March 2013

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner		**Responder**	
Speaker	Ley, Sussan, MP	**Question No.**	

Ms LEY (Farrer) (16:31): Before I make my remarks in this particular bill, can I also join members and senators in this place in wishing Canberra a very happy birthday. I went to high school in Canberra, both to Campbell High and to the fantastic Dickson College where I finished very early on in the years when the college system began, and Dickson College is still a remarkable place of education in this city.

Today I rise to speak on the Higher Education Support Amendment (Further Streamlining and Other Measures) Bill 2013. The intent of this bill is to improve the administration of the Higher Education Loan Program in line with some of the proposals put forward in the post-implementation review on VET FEE-HELP in 2011. The post-implementation review made a number of sound recommendations—a number of these were introduced to parliament last year—seeking to further increase the number of registered training providers who are eligible to offer VET FEE-HELP courses.

The coalition recognises the important role that income-contingent loans can play in vocational education. Under the Howard government, income-contingent loans were extended to full-fee-paying students in higher education courses through FEE-HELP in 2005, and they flowed through to the vocational sector to vocational education and training—that is, VET—to VET FEE-HELP in 2008. Of course, income-contingent loans under the previous name of HECS in higher education courses have been around for some 25 years.

Access to FEE-HELP and VET FEE-HELP has enabled thousands of Australians the chance to access an education that they might otherwise not have been able to do. It has enabled them the financial assistance that they need to fund the course of their choosing. But the reality is that the take-up rate of VET FEE-HELP has been well below expectations. There is a range of requirements that providers must meet in order to be able to offer VET FEE-HELP courses. Regrettably, these requirements have proven too onerous for the vast majority of providers. Of the approximately 2,000 providers who offer diploma and advanced diploma courses only 112 are currently approved as VET FEE-HELP providers. This places serious limitations on the ability of students to access income-contingent loans to fund their qualifications, and, as we know, the cost of those qualifications is increasing.

In 2012, a quarter of 20- to 24-year-olds were not in full-time education or work. So many of these young people, who are not currently in work or training, come from lower socioeconomic backgrounds and they struggle to afford to study at all. Access to income-contingent loans in VET or higher education qualifications is crucial to assist these young people in finding a course of study and a career path by boosting equity of access and affording them the opportunity for a better life. There is also an economic argument in favour of increasing access to income-contingent loans. Many of the courses that could be funded by FEE-HELP or VET FEE-HELP are in areas of skill shortages, and we potentially have a future workforce impeded only by the cost of study.

In addition to the acknowledgment made in the post-implementation review regarding the low take-up of VET FEE-HELP, a number of recommendations were made to improve the overall administration of the Higher Education Loans Program. As a result of these recommendations, this bill seeks to achieve the following. Schedule 1 of this bill allows for the automatic revocation of a provider's registration as an approved higher education or vocational education provider, where the provider has either had their registration cancelled by the relevant tertiary regulator or been deemed unable to operate by a court of law. Schedule 2 of the bill will see providers able to change their name where there is no change of legal entity. As the system currently stands, if a provider changes the name yet the legal entity remains the same, the provider is required to be reapproved as a new applicant. In order to ensure that students are not adversely affected, the minister is currently required to revoke the approval of the provider and reapprove the same entity with retrospective application. This is a practical measure, avoiding additional red tape for providers.

Schedule 3 will enable the minister to issue compliance notices to providers who are failing to comply. Currently the only courses of corrective action available to the minister are to either suspend or evoke approval of a

provider or to withhold payment. This schedule provides an alternative measure, ensuring that providers have an opportunity to undertake corrective action and continue to operate without the sanctions that previously were the only available measure and were extremely harsh. Schedule 4 of the bill seeks to update the calculations of HELP repayment thresholds. This has come about as the Australian Bureau of Statistics has decided to publish the average weekly earnings data on a biannual basis, shifting from quarterly. This will ensure that individuals can repay their HELP debt based on more accurately calculated repayment thresholds in accordance with the ABS data. The final amendment will see an update of the qualification definitions in the act to echo changes made to the Australian Qualifications Framework.

So, while we welcome this bill and the amendments that it puts forward, I think it is necessary to acknowledge that there have been few such successful measures in the VET space achieved by those opposite. The broader system suffers from an incredible overload of bureaucracy and red tape. We on this side of the House have made it clear that reducing red tape for business and bureaucracy is high on our agenda. The national partnership on VET reform may well be considered to have failed, given the lack of sign-up by three key states. It would be impossible for anyone who enters into the administrative and compliance aspects of vocational education and training in this country to not be completely bamboozled.

We in the coalition supported the extension of income contingent loans to the vocational ed sector, because we have a really strong record in making sure that those who would study vocational education as opposed to higher education—or, in the common lingo, TAFE and training versus university—should have access to exactly the same support, including financial support. But, if the government are serious about this, it has taken them a while to recognise the extraordinarily low take-up—112 providers out of 2,000 who are using the scheme. Although I do not have detailed information, I would suggest that in rushing through the initial piece of legislation there was a failure to follow up, there was a failure to listen and there was a failure to consult. And that failure is written large across the entire government. If the government had been tuned in to the needs of the providers of registered training, as they should have been, they would not have sat on their hands and said, 'Okay, three years later we'll just get the department to do a review and see what the review says.' So three years pass and no-one has any idea that the system is not working, even though the intention might have been good in the first place. As I said, this is the pattern we are seeing in the training arena from the current government time and time again.

We will be watching closely to see if the modest measures that will be achieved by this legislation, which of course we are entirely supportive of, actually make a difference. If they do not, I would suggest to the minister, who is a new minister in this space and a little more engaged than the previous one—and I do not mean that unkindly, but certainly the previous minister seemed to the sector to be rather hands-off—that the minister acts sooner rather than later to hang on to this valuable cohort of students and this valuable group of training providers.