

BILLS**Education Legislation Amendment (Startup Year and Other Measures) Bill 2023****Second Reading**

Consideration resumed of the motion:

That this bill be now read a second time.

to which the following amendment was moved:

Omit all words after "That", substitute:

"(a) by reason that:

(i) much of the design, implementation and operation of the Startup Year program, including important safeguards for students such as the protection of students' intellectual property rights, are to be governed by the START-HELP Guidelines, a draft of which has not been tabled in the Senate; and

(ii) the bill does not otherwise include the necessary provisions relating to the design, implementation and operation of the Startup Year program, including important safeguards for students such as the protection of students' intellectual property rights;

(b) further consideration of the bill be made an order of the day for the sitting day after draft STARTUP-HELP Guidelines have been tabled in the Senate".

Senator RICE (Victoria) (17:39): Before I was interrupted, I was talking about the struggles that so many students face—living in poverty, with totally inadequate student and youth allowance, and then ending up at the end of their degrees with this massive burden of debt around their necks—and about how the Education Legislation Amendment (Startup Year and Other Measures) Bill 2023 is going to give some support to students but the cost is that it's actually going to increase the amount of debt that they've got and how this is just not doing our future generations any favours at all.

I have just met, for example, with the president and vice-president of the Australian Medical Students Association, and they had three concerns that they wanted to raise with me. One was the medical students cost-of-living crisis. The second was medical students in the rental crisis. The impact of the cost of living on those living in poverty is really hitting all students hard. For medical students, the consequences included people having to drop out of their studies and people not being supported because they have to live on a totally inadequate youth allowance and are living in poverty and cannot afford to live. The reality of the workload of doing a medical degree is that you just have not got the time to do any part-time work, which means it's incredibly inequitable. It means that the only people that can afford to really devote themselves to their studies are those who either have been working for a long time themselves to build up the reserves so that they can continue to afford their studies or have got a very well-off family behind them that can afford to support them. This means that working-class kids, people that you'd really want to be doing a medical degree, just can't afford to do it, and they drop out.

In fact, the Medical Students Association were telling me that, for one of the people that I met with, they had seen if they could organise their study load so that they could afford to fit in part-time work, and it was basically, 'No, you need to be at uni from 8 am to 5 pm every day, so there's no time for you to do part-time work.' What was suggested to the person was that they might like to take a year off from their studies to go and work and build up some income so that they could then come back—that is, delaying their studies for yet another year and probably, because they were building up that amount of money, living in poverty for another year.

We've got to be able to do more. Although this bill is going to give support to students, it's not the direction that we need to be going in. Basically, we need to be making different budget choices. As I said earlier and as our spokesperson for education, Senator Faruqi, will be putting in the second reading amendment, we feel that we should be wiping all student debt rather than adding to student debt. The cost of wiping all student debt is estimated to be \$60 billion over 10 years, which sounds like a pretty substantial amount of money—nothing to sneeze at. But what I want to point out is how affordable that would actually be if we had a government that was willing to raise the revenue, to consider that supporting students and other people to not live in poverty was worth it, and to make some budget choices in order to support people rather than giving tax breaks to the big end of town.

So we have \$60 billion, on the one hand, to wipe student debt. On the other hand, how much revenue could we raise if we had a government that was serious about it? The obvious one, of course, is to scrap the stage 3 tax cuts. The stage 3 tax cuts, over 10 years, are going to cost the budget bottom line over \$300 billion. That's five times the amount of revenue that would be needed to wipe out all student debt. Then you could add in the fossil fuel subsidies. We're currently subsidising the burning of coal, gas and oil, which is creating the climate crisis. We are subsidising that fossil fuel use by over \$100 billion. Get rid of all of those subsidies. There we go. We've now got \$400 billion that could be raised over the next decade.

We've had a lot of talk about housing and how to increase affordable housing and make rents more affordable. Instead of having negative gearing and capital gains tax discounts, you could actually be putting money into building more affordable housing. If you scrapped negative gearing and capital gains tax discounts for second, or more, properties that would save over \$100 billion over the next 10 years. You could institute a billionaires tax; our proposed billionaires tax would be a six per cent tax on all of Australia's billionaires—the 122 billionaires. That's not very many people, but if you tax their wealth by six per cent annually that would raise \$48 billion over the decade.

How about a super profits tax, incorporating actually getting a decent amount of money out of the petroleum resource rent tax? A 40 per cent super profits tax on corporations with more than \$100 million in turnover in Australia would yield \$430 billion over the decade—\$430 billion! That puts the cost of wiping student debt almost into small change. These are the sorts of choices that could be made. We can afford to wipe student debt and we can afford to have income support payments above the poverty line. We can afford to put dental into Medicare. We could do all of these things if we were making different choices.

And there are a few extra things that the Greens propose. There's a coal export levy; that would raise \$21.7 billion over the next 10 years. There's cracking down on tax avoidance—that would raise \$4½ billion over the decade. If we add all of these up, basically, we would have a budget with over \$1 trillion—a thousand million dollars—over the next 10 years to make different choices. That's the direction to create a fairer society. To create a society where no-one is left behind, these are the sorts of choices that this government should be making.

The Labor government like to talk about how they don't want anyone to be left behind. I tell them: you are leaving plenty of people behind at the moment, and doing little things like adding to student debt by having these startup loans. Those aren't going to help much; we will still have so many people who are left behind. You can make different choices. It is possible to support people and to build a just and sustainable society—to build an Australia where everybody actually does get a fair go to achieve their potential. That's what we, the Greens, are calling on the government to do: to make different choices and to create that better Australia.

Senator ROBERTS (Queensland) (17:47): As a servant to the people of Queensland and Australia, I now speak on the Education Legislation Amendment (Startup Year and Other Measures) Bill 2023. This bill does three things. Schedule 1 creates an entirely new form of HECS called STARTUP-HELP, or Startup Year help. Schedule 2 increases the funding cap in the Australian Research Council Act. And schedule 3 adds Avondale University as a provider under the Higher Education Support Act.

Schedules 2 and 3 are relatively uncontroversial and should be passed before the next financial year. Deceptively, though, Labor has tied those time-sensitive measures with the controversial program in schedule 1 so that it can be whisked through. Deceit—yet another example of government deceit. Let's consider schedule 1. Let's cut through the deceit!

This bill started off with the announcement of an initial consultation paper and a student survey to seek the views of current students and recent graduates on the proposed design. It sounds like a great start, and yet the government has not published the outcomes of the survey and it has not published the submissions to the consultation paper it started. We only know about some submissions—in fact, only those submissions whose submitters published them themselves! Of these, many expressed concern about the lack of detail around four things: the criteria for inclusion of eligible programs; how students would be selected; how the allocation of 2,000 places would be distributed; and what the funding could be spent on. Those are pretty critical things and the government wants to hide them.

Given these concerns, it would make sense to have an initial pilot program. Many submissions appeared to agree with this and it was even suggested in the consultation paper. Yet, no, the government has decided that it won't do this, instead pushing straight ahead with the full implementation of an expensive and undefined, untested program, and the creation of an entirely new category of debt. The program doesn't make sense. As even the Australian Technology Network group of universities suggested, if you want to encourage startups, give the money directly to students, not to universities.

That was the government's election promise—to provide grants for startups. Instead we have this Startup Year program, where money will be going to universities. If someone has a startup idea, under this program the government won't give that person money to invest in their idea, to develop research, to produce prototypes or to get market research. Instead, the government will give money to universities, and the student will get left with a HECS debt afterwards. Reading about this program, readers might think that the intention isn't to actually support startup businesses. People might think the intention is to support universities with yet another new cash cow and to funnel extra money towards them through an entirely new type of debt.

Schedule 2 of the bill provides updated funding caps. The minister explained these new funding caps as innocent indexation adjustments. Looking at the table provided in the explanatory memorandum, we have to ask: what the

hell is the basis for the indexation rate? It certainly doesn't seem to be the CPI, the consumer price index. For 2022-23, the increase is two per cent. For 2023-24, the increase is 4.8 per cent. That is 1½ times higher. For 2024-25, the increase is—wait for it—7.5 per cent. For 2025-26, the increase is 2.46 per cent.

If these increases were in line with CPI indexation, we would expect the larger indexation to apply in 2022-23—but no. Instead, the 7.46 per cent indexation won't come into effect until 2024-25 after two years of additional indexation has already been applied. So you're compounding the interest. Anyone familiar with how compound interest works will recognise that pushing the larger increase further down the line actually results in a larger increase to the funding. These increases amount to a significant additional 17 per cent or \$137 million of taxpayer money going into the Australian Research Council's budget over the forward estimates. It's hard to consider these amounts as innocent indexation adjustments given their size and the deceptive way they've been applied. There's that word again; it shrouds this government—deceit.

I note that Senator Henderson intends to move amendments that in effect split the bill and set up a pilot program. Senator Henderson's amendments would carve out the Startup Year program from the funding and Avondale University matters which must be dealt with before July. They would establish a proper pilot program. This is appropriate. Let's deal with the time-sensitive matters now and then have a proper debate about this back-of-the-envelope idea from Labor for state sanctioned startups.

To properly encourage startups in this country, we need to fix the broken taxation system and make sure energy is as cheap as humanly possible. The government is crippling startups by making it difficult to start up. Shovelling money instead towards universities and building a HECS debt will do nothing to encourage business in this country. It's a transfer of wealth from students to universities. We won't let the Albanese government hold us to ransom, bundling up necessary amendments with radical programs. If not amended and if it remains dishonest and deceitful, One Nation will oppose this bill.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (17:53): I thank senators for their contributions to this debate. The Education Legislation Amendment (Startup Year and Other Measures) Bill 2023 will support the development of the skills needed to drive the businesses and technologies of the future. It will extend up to 2,000 startup, income-contingent HELP loans each year to eligible students participating in higher education based accelerator programs. These programs under this new loan type will build skills in entrepreneurship and connect students with the support, mentorship and facilities that they need to develop their startup ideas. It will commence with a pilot program and then be rolled out to universities that are approved through an application process. The success of the free programs currently offered by universities, of which the opposition have spoken, proves the point that structured courses that confer a qualification are not only sensible but in demand.

Universities have been vocal in their support for this kind of structure around the development of entrepreneurial skills. That appears to have been lost on some of those opposite. Senator O'Sullivan read from the Universities Australia submission as part of the government's consultation process. He neglected to refer to the evidence given by Universities Australia at the Senate committee hearing on this bill after the input from the consultation had been actioned by the government. At that hearing Universities Australia said that it supports and applauds the government's initiative in the establishment of the startup year. Universities Australia described the consultation process with government as first class. When asked by Senator O'Sullivan as to whether there was a value proposition for students and universities, the response from Universities Australia was, 'Absolutely.'

In the same hearing the Australian Technology Network said, 'We fundamentally think this is a great program.' The University of Technology said in its submission to the inquiry that the bill will help the next generation of young Australian entrepreneurs bring their ideas to life, and that it commends the government for exploring innovative and long-term solutions to fund and support startups. And yet the opposition have flagged that they'll oppose this bill and have tried to remove the Startup Year program from it. They say their opposition is because of a lack of detail or some uncertainty about the program. The opposition have had the benefit of briefings, the Senate committee inquiry and even the provision of draft guidelines and the program handbook well ahead of schedule to assist in their understanding of the program.

I now table the draft guidelines and handbook, noting that they will be amended further following the passage of this bill. The opposition have chosen to ignore much of the evidence from the Senate committee hearing and report. To offer paltry amendments while also opposing the bill is 'no-alition' politics at its most basic. I encourage the opposition to support this initiative in upskilling our brightest young innovators. In response to a request from the Scrutiny of Bills Committee, I table an addendum to the exploratory memorandum as well.

The bill also amends the Higher Education Support Act to list Avondale University as a table B provider, following its recent registration as an Australian university by the Tertiary Education Quality and Standards Agency.

The bill also mends the Australian Research Council Act 2001 to apply current indexation to funding for the 2023-24 and 2024-25 financial years and insert a new funding cut for the 2025-26 financial year, resulting in an additional appropriation to the ARC of just over \$1 billion. As I referred to, this bill was considered by the Senate Education and Employment Legislation Committee, which recommended passing the bill. In response to the dissenting recommendation by coalition senators, the Australian government is providing targeted cost-of-living relief that does not add to inflation, addressing supply-side problems and investing in future growth. We're making our nation's finances more sustainable. These include the government's energy package, legislation to reduce childcare costs and reductions to the costs of medicines on the PBS.

The government also intends to move an amendment in the committee stage which will align the Higher Education Support Act with the government's recently announced pathway to Australian citizenship for New Zealand citizens. The new pathway will allow eligible New Zealand citizens seeking Australian citizenship to access HELP loans whilst they do so. It fixes a long-existing gap in the HELP system where New Zealand students missed out on HELP loans for a portion of their Australian citizenship pathway. The amendment I will move is to ensure that eligible New Zealand citizens on the existing pathway to Australian citizenship will be treated the same as those embarking on the government's new pathway. As a matter of fairness, it will allow them to access HELP loans in the same way. This is a modest but important amendment, and one which deserves the support of the chamber.

The measures in this bill deliver on our election commitment and further the government's dedication to supporting our higher education sector. I commend the bill to the chamber.

Senator Henderson: I have moved a second reading amendment on sheet 1938. The government has just tabled the guidelines. I take it in good faith that the guidelines have been tabled. I have to say I am very disappointed—

The ACTING DEPUTY PRESIDENT (Senator Chandler): Senator Henderson, you don't have the call to debate that, but if the document that's been tabled has changed your position on the amendment then it would assist the chamber to indicate that.

Senator Henderson: I haven't sighted the document, but assuming the guidelines have been tabled then the opposition will withdraw the amendment. I seek leave to withdraw my amendment.

Leave granted.

Senator FARUQI (New South Wales) (18:01): I move the Greens' amendment on sheet 1948:

At the end of the motion, add ", but the Senate notes that this bill does nothing to mitigate the student debt crisis at a time when student debts are increasing at an out-of-control pace, and calls on the Government to:

- (a) recognise that education is a public good which should be free and universal;
- (b) make university and TAFE fee-free; and
- (c) wipe all student debt".

The ACTING DEPUTY PRESIDENT (Senator Fawcett): The question now is that the amendment moved by Senator Faruqi on sheet 1948 be agreed to.

The Senate divided. [18:05]

(The Acting Deputy President—Senator Fawcett)

Ayes.....11
Noes.....29
Majority18

AYES

Allman-Payne, P. J.
Hanson-Young, S. C.
Rice, J. E.
Waters, L. J.

Cox, D.
McKim, N. J. (Teller)
Shoebridge, D.
Whish-Wilson, P. S.

Faruqi, M.
Pocock, B.
Steele-John, J. A.

NOES

Askew, W.
Bilyk, C. L.
Chisholm, A.
Farrell, D. E.
Henderson, S. M.
O'Neill, D. M.

Ayres, T.
Brown, C. L.
Ciccone, R.
Fawcett, D. J.
McAllister, J. R.
Payman, F.

Babet, R.
Cadell, R. (Teller)
Colbeck, R. M.
Green, N. L.
McCarthy, M.
Pocock, D. W.

Polley, H.
Sheldon, A. V.
Stewart, J.
Walsh, J. C.

Pratt, L. C.
Smith, M. F.
Tyrrell, T. M.
White, L.

Roberts, M. I.
Sterle, G.
Urquhart, A. E.

Question negatived.

Original question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:09): by leave—I move government amendments (1) and (2) on sheet PF120 together:

That the House of Representatives be requested to make the following amendments:

(1) Clause 2, page 2 (table), omit the table, substitute:

Commencement information

Column 1 Provisions	Column 2 Commencement	Column 3 Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedules 1 to 3	The day after this Act receives the Royal Assent.	
3. Schedule 4	Immediately after the commencement of the provisions covered by table item 2.	

(2) Page 40 (after line 13), at the end of the Bill, add:

Schedule 4—HELP assistance for New Zealand citizens who are permanent residents

Higher Education Support Act 2003

1 Paragraph 90-5(2A)(b)

Repeal the paragraph, substitute:

(b) either:

(i) holds a special category visa under the *Migration Act 1958*; or

(ii) is a *permanent visa holder who, immediately before becoming a permanent visa holder, held a special category visa under the *Migration Act 1958*; and

2 Paragraph 104-5(2A)(b)

Repeal the paragraph, substitute:

(b) either:

(i) holds a special category visa under the *Migration Act 1958*; or

(ii) is a *permanent visa holder who, immediately before becoming a permanent visa holder, held a special category visa under the *Migration Act 1958*; and

3 Paragraph 118-5(2)(b)

Repeal the paragraph, substitute:

(b) either:

(i) holds a special category visa under the *Migration Act 1958*; or

(ii) is a *permanent visa holder who, immediately before becoming a permanent visa holder, held a special category visa under the *Migration Act 1958*; and

4 Paragraph 126-5(1A)(b)

Repeal the paragraph, substitute:

(b) on the day the fee is payable, either:

(i) holds a special category visa under the *Migration Act 1958*; or

(ii) is a *permanent visa holder who, immediately before becoming a permanent visa holder, held a special category visa under the *Migration Act 1958*; and

5 Paragraph 128B-30(3)(b)

Repeal the paragraph, substitute:

(b) either:

(i) holds a special category visa under the *Migration Act 1958*; or

(ii) is a *permanent visa holder who, immediately before becoming a permanent visa holder, held a special category visa under the *Migration Act 1958*; and

6 Application of amendments

(1) The amendment of section 90-5 of the *Higher Education Support Act 2003* made by this Schedule applies in relation to determining entitlement to HECS-HELP assistance for units of study with a census date that is on or after the day this Schedule commences.

(2) The amendment of section 104-5 of the *Higher Education Support Act 2003* made by this Schedule applies in relation to determining entitlement to FEE-HELP assistance for units of study with a census date that is on or after the day this Schedule commences.

(3) The amendment of section 118-5 of the *Higher Education Support Act 2003* made by this Schedule applies in relation to applications for receipt of OS-HELP assistance that are made on or after the day this Schedule commences.

(4) The amendment of section 126-5 of the *Higher Education Support Act 2003* made by this Schedule applies in relation to requests for Commonwealth assistance in relation to a student services and amenities fee that are made on or after the day this Schedule commences.

Statement of reasons: why certain amendments should be moved as requests

Section 53 of the Constitution is as follows:

Powers of the Houses in respect of legislation

53. Proposed laws appropriating revenue or moneys, or imposing taxation, shall not originate in the Senate. But a proposed law shall not be taken to appropriate revenue or moneys, or to impose taxation, by reason only of its containing provisions for the imposition or appropriation of fines or other pecuniary penalties, or for the demand or payment or appropriation of fees for licences, or fees for services under the proposed law.

The Senate may not amend proposed laws imposing taxation, or proposed laws appropriating revenue or moneys for the ordinary annual services of the Government.

The Senate may not amend any proposed law so as to increase any proposed charge or burden on the people.

The Senate may at any stage return to the House of Representatives any proposed law which the Senate may not amend, requesting, by message, the omission or amendment of any items or provisions therein. And the House of Representatives may, if it thinks fit, make any of such omissions or amendments, with or without modifications.

Except as provided in this section, the Senate shall have equal power with the House of Representatives in respect of all proposed laws.

Amendment (2)

The effect of this amendment is to expand the circumstances in which certain New Zealand citizens are eligible for assistance under the *Higher Education Support Act 2003*.

It is covered by section 53 because this expansion of eligibility will increase the amount of expenditure out of the Consolidated Revenue Fund under the standing appropriation in section 238-12 of the *Higher Education Support Act 2003*.

It is also covered by section 53 because the expansion of eligibility for assistance under the *Higher Education Support Act 2003* has the effect of expanding eligibility for certain student payments under the *Social Security Act 1991*. This will increase the amount of expenditure out of the Consolidated Revenue Fund under the standing appropriation in section 242 of the *Social Security (Administration) Act 1999*.

Consequential amendments

The following amendment(s) are consequential on the amendments mentioned above:

Amendment (1).

Statement by the Clerk of the Senate pursuant to the order of the Senate of 26 June 2000

Amendment (2)

If the effect of the amendment is to increase the amount of expenditure under the standing appropriations in section 238-12 of the *Higher Education Support Act 2003* and section 242 of the *Social Security (Administration) Act 1999*, then it is in accordance with the precedents of the Senate that the amendment be moved as a request.

Amendment (1)

This amendment is consequential on the request. It is the practice of the Senate that an amendment that is consequential on an amendment framed as a request may also be framed as a request.

I table a supplementary explanatory memorandum relating to the government requests for amendments to this bill. These amendments align the Higher Education Support Act with the government's pathway to Australian citizenship for New Zealand citizens. They fix a long-existing gap in the HELP system where New Zealand students miss out on HELP loans for a portion of their Australian citizenship pathway. They ensure that students who are already on the pathway are treated the same as those embarking on the government's new pathway. They permit them access to the HELP system. It's a matter of fairness. My understanding is that they have the opposition's support. It is a modest fix, but one which is very important to those it helps.

Senator HENDERSON (Victoria) (18:10): The opposition will be supporting these amendments. I want to check with the minister and ask the minister a couple of questions in relation to this. We had a briefing in relation to the number of New Zealand citizens who would be impacted by these amendments being an interim measure. Could the government please confirm the number of people who would have missed out otherwise accessing HECS and now, by reason of these amendments, will be able to access HECS or continue with their course accessing HECS? We were advised it was about 50 or so people. If you could you confirm the exact number, that would be much appreciated.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:11): I don't have a precise figure, but my understanding is that it is around that 50 number, Senator Henderson.

Senator HENDERSON (Victoria) (18:11): Are you able to confirm that these amendments relate only to New Zealand citizens who are on a special category visa and have applied for PR, permanent residency, and by reason of their application are no longer able to access HECS, and that these amendments will resolve that particular situation?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:12): Yes, that's my understanding.

Senator FARUQI (New South Wales) (18:12): We will be supporting these amendments as well.

Question agreed to.

Senator HENDERSON (Victoria) (18:13): I move opposition amendment (1) on sheet 1936:

(1) Schedule 1, page 3 (line 1) to page 38 (line 15), **to be opposed**.

I have moved this amendment to effectively separate the Startup Year provisions from the rest of the bill. As I've indicated, the opposition supports other measures in the bill—being, the provision in relation to the increase to the Australian Research Council and the classification of Avondale University—and of course the amendments we just passed.

I profoundly disagree with the minister's characterisation of the Startup Year provisions in this bill. The Startup Year provisions, as I discussed earlier in this debate, present a very high risk to students. This scheme is meant to start in a couple of weeks. It is such a mess that the guidelines have only just been tabled. The universities are very concerned that they weren't able to consult on the guidelines which underpin how this scheme will operate. The principal concern the opposition has is that it subjects students to such high risk—a full-fee-paying course and a debt of up to \$23,600, which will go up each and every year because it's indexed. This will expose students to enormous risk.

What is so nonsensical about this situation is that this is a solution in terms of a problem. We are strongly supportive of accelerator and incubator courses. We have led the way and championed the need for student entrepreneurs to be supported. There are, as I mentioned earlier, more than 100 accelerator courses available through universities around this country. But while the universities have mooted their support in the Senate inquiry, after being scathing in the earlier consultation, and while this looks and sounds like a good idea in principle, the fact of the matter is that the government is asking students to pay through the nose for courses they can currently do for nothing.

These are courses that are delivering. I mentioned earlier visiting the UTS Startup Hub, as one example. The UTS Startup Hub has more than 800 students enrolled. Last year alone they created, through businesses developed through the Startup Hub, some 570 jobs. These accelerator and incubator courses are available all across the country and the universities are doing a great job. Regrettably, the government has not made out the case to impose this very significant debt. These are not even Commonwealth supported places; these are full fee-paying courses. The government has not made out the case as to why it would impose such a significant debt on students for doing courses that they can currently do for free. The value proposition is not there and the benefits are just not discernible.

While I appreciate that the universities would love more HECS revenue, the universities have not been able to explain what courses would be offered, because they don't know. That's why we've also put forward a number of

amendments to protect students. I'm deeply concerned about this when looking at the huge acceleration in HECS debt and at how Labor's cost-of-living crisis has driven up indexation to the highest indexation rate in more than 30 years: 7.1 per cent. That means an average increase in an Australian student loan of some \$1,700 in a year. The government has not made the case as to why it would support student entrepreneurs by slamming them with this horrendous additional debt. That's why we're seeking to split the bill; to support the other measures in the bill and to oppose the startup provisions.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:18): The government will oppose this amendment as it would have the effect of removing the Startup Year program from the bill. Although opposing startup, the amendments that the opposition offer in alternative are of a major nature and do not substantially change the program from what the government is proposing. The opposition have had the benefit of briefings, a Senate committee inquiry and even the provision of draft guidelines and the program handbook, as well as a schedule to assist in understanding the program. They've now offered paltry amendments and also opposed the bill, which is 'no-alition' politics at its finest.

In terms of the lack of support, I would disagree with that. I think this bill has been met with enthusiastic support from the sector. The consultation process was lauded by key stakeholders, and described as first class by Universities Australia. The Senate committee hearing emphasised this, as Universities Australia said that it supports and applauds the government's initiative in the establishment of the Startup Year. It also said that it was absolutely a value proposition for students in universities. The Australian Technology Network said:

We fundamentally think this is a great program.

And the University of Technology said in its submission to the inquiry that the bill would:

... help the next generation of young Australian entrepreneurs bring their ideas to life and commends the Government for exploring innovative and long-term solutions to fund and support new startups.

The government is confident these measure also be well received and will operate well, and we've committed to a pilot to ensure that that's the case.

Senator FARUQI (New South Wales) (18:19): The Greens will not be supporting coalition amendments on sheet 1936. We do, in principle, support the establishment of the Startup Year program. What convinced me was that, throughout the Senate inquiry on the Education Legislation Amendment (Startup Year and Other Measures) Bill held in April this year, we heard broad support from stakeholders and universities for the program. I have not heard from one single stakeholder of mine asking me to oppose the Startup Year program. Of course, there is a big issue with how the student loan system operates at the moment. The Greens' views on that system are well known. It is a broken system, and it needs to be overhauled. That's why I moved the second reading amendment a few minutes ago to wipe student debt and to make university and TAFE free. But the coalition voted against that. If the coalition is genuine about wanting to do something about indexation, there is an opportunity coming up in the next half hour where we have amendments to scrap indexation. If the coalition really cares about it that much, it should vote for the amendments.

The CHAIR: The question before the chair is that schedule 1 stand as printed.

The committee divided. [18:25]

(The Chair—Senator McLachlan)

Ayes.....35

Noes.....28

Majority.....7

AYES

Allman-Payne, P. J.
Brown, C. L.
Cox, D.
Green, N. L.
Lines, S.
McKim, N. J.
Pocock, B.
Pratt, L. C.
Shoebridge, D.
Sterle, G.
Urquhart, A. E. (Teller)

Ayres, T.
Chisholm, A.
Farrell, D. E.
Hanson-Young, S. C.
McAllister, J. R.
O'Neill, D. M.
Pocock, D. W.
Rice, J. E.
Smith, M. F.
Stewart, J.
Walsh, J. C.

Bilyk, C. L.
Ciccone, R.
Faruqi, M.
Lambie, J.
McCarthy, M.
Payman, F.
Polley, H.
Sheldon, A. V.
Steele-John, J. A.
Tyrrell, T. M.
Waters, L. J.

Whish-Wilson, P. S.

White, L.

NOES

Antic, A.

Brockman, W. E.

Cash, M. C.

Davey, P. M.

Hanson, P. L.

Hume, J.

McDonald, S. E.

Paterson, J. W.

Reynolds, L. K.

Smith, D. A.

Babet, R.

Cadell, R. (Teller)

Chandler, C.

Duniam, J. R.

Henderson, S. M.

Kovacic, M.

McGrath, J.

Payne, M. A.

Roberts, M. I.

Bragg, A. J.

Canavan, M. J.

Colbeck, R. M.

Fawcett, D. J.

Hughes, H. A.

Liddle, K. J.

McLachlan, A. L.

Rennick, G.

Ruston, A.

Question agreed to.

The CHAIR (18:27): I alert senators, too, that once we hit 6.30 pm there'll be no more divisions, but we can proceed in committee stage. We can consider the amendments in committee stage and defer all the divisions.

Senator HENDERSON (Victoria) (18:28): by leave—For the benefit of senators, I advise that a revised amendment, item (2) on sheet 1965, has just been circulated. I move revised amendments (2) and (3) on sheet 1937, revised 2, together:

(2) Schedule 1, item 25, page 14 (after line 23), at the end of section 128B-25, add:

(5) Without limiting the matters that may be included in the STARTUP-HELP Guidelines made for the purposes of paragraph (2)(c), those guidelines must require that the higher education provider providing the *accelerator program course has arrangements in place to ensure that, in circumstances where a student creates intellectual property through undertaking the course, the student owns the intellectual property unless there is an agreement that provides otherwise in place between the student and the provider.

(3) Schedule 1, item 25, page 16 (after line 28), at the end of Division 128B, add:

128B-40 Allocation of STARTUP-HELP assistance

(1) The STARTUP-HELP Guidelines must include principles and procedures for ensuring, so far as reasonably practicable, that at least 25% of the persons selected for receipt of *STARTUP-HELP assistance are students enrolled in an *accelerator program course at a regional university.

(2) For the purposes of subsection (1), a *regional university* is one of the following:

(a) Charles Sturt University;

(b) Central Queensland University;

(c) Federation University Australia;

(d) Southern Cross University;

(e) University of New England;

(f) University of Southern Queensland;

(g) University of the Sunshine Coast;

(h) any other university, or particular campus of a university, specified in the STARTUP-HELP Guidelines.

(3) The Minister must not specify a university, or particular campus of a university, in the STARTUP-HELP Guidelines made for the purposes of paragraph (2)(h), unless the university or campus is located in a Remoteness Area categorised under the *ABS Remoteness Structure as Inner Regional Australia, Outer Regional Australia, Remote Australia or Very Remote Australia.

Regarding the rationale for moving items (2) and (3) together, item (2) on sheet 1937 relates to the STARTUP-HELP Guidelines requiring that the intellectual property rights of students be protected. Whatever is in or out of the guidelines—and we haven't had an opportunity to even read them because they've just been tabled and we don't know whether they're any different to the guidelines we received last week—the opposition is profoundly concerned that the bill does not include a provision which protects students' intellectual property. If students are going to do an accelerator or incubator course and they've got great ideas, they've got great innovations, they want to start a new business, it's very important that students know that their ideas are protected. So we think this is a very important amendment to make sure—standing up for students first—that their intellectual property is protected.

Item (3) also addresses another defect in the bill, and that relates to regional students doing an accelerator course at a regional university. I do respectfully disagree with Senator Faruqi, as she characterised the feedback and submissions we'd received in the Senate inquiry. There was deep concern expressed by a number of the regional universities that if a regional university did not have an existing accelerator course it was going to be very difficult under the current structure, given the funding model, to develop an accelerator course. We want to make sure that regional students and regional universities get every possible opportunity. So this amendment makes it clear that, as far as reasonably practical, at least 25 per cent of the persons selected for receipt of a startup HELP assistance are students enrolled in an accelerator program course at a regional university.

Too often, we've seen the government not properly consider the needs of regional Australia. Too often, we have been concerned that sometimes, in many different ways, the needs of people living in regional Australia— (*Time expired*)

The TEMPORARY CHAIR (Senator Pratt): Senator Henderson, I'm not clear why your time would have expired, other than to say that we are moving on to say no divisions, so please continue. We will reset the clock now.

Senator HENDERSON: Thank you very much, Chair. As I was saying, this is a very important provision to support regional students. I have been very concerned, as the shadow minister for education, travelling around the country as I have been, that regional universities have not been given due consideration in the many challenges they face.

I met with James Cook University very recently and they are in a situation where, of the 20,000 new HECS places that have been announced, Commonwealth supported places, they're not able to use them all. They don't have the appropriate flexibility, in relation to how they can use that funding that's been provided by the government. They are very keen to utilise that funding in a different way by providing more enabling courses so that more students or potential students living in northern Queensland can access their university and go on to complete a course and to live and work armed with great knowledge from a university in northern Queensland.

I hope and trust that these two provisions will receive support across the chamber. We have been consulting widely, and I would commend both of these items, on page 1937, to the Senate.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:33): Just for clarity, Senator Henderson, the guidelines that I tabled are the same as you received last week. They haven't changed since then.

In relation to items (2) and (3) on sheet 1937, the government will be supporting these amendments. The draft guidelines circulated already address IP ownership, as flagged in the draft guidelines, and the government has been clear from the beginning that the startup year will focus on getting underrepresented groups into the entrepreneurial ecosystem, specifically including programs that focus on solving regional issues through innovation. So the government will support the amendment, noting that essentially supports the position taken by government to date.

Senator FARUQI (New South Wales) (18:34): I just want to clarify that Senator Henderson has moved amendments (2) and (3) on sheet 1937. Am I right?

The TEMPORARY CHAIR: Yes, it's (2) and (3) only.

Senator FARUQI: The Greens will be supporting—

Senator Henderson: Just to clarify, it's 1937 revised 2.

Senator FARUQI: We will support these amendments because amendment (2) requires higher education providers to ensure students own their intellectual property and amendment (3) requires ensuring that at least 25 per cent of students selected for STARTUP-HELP loans are enrolled in a regional university. The Greens do support these measures that support regional students, in making sure that they do not miss out on the educational outcomes of the program.

The TEMPORARY CHAIR: The question before the chair, and the chamber, is that amendments (2) and (3) on sheet 1937, as revised, be agreed to.

Question agreed to.

Senator HENDERSON (Victoria) (18:35): I now move opposition amendments (4) and (5) on sheet 1937 revised 2 together:

(4) Schedule 1, item 25, page 22 (after line 25), at the end of Subdivision 128E-B, add:

128E-40 Reversal of STARTUP-HELP assistance: accelerator program course objectives not met

(1) An amount of *STARTUP-HELP assistance that a person received for an *accelerator program course with a higher education provider is *reversed* if the *Secretary is satisfied that the course has not met its stated objectives.

Note 1: For example, a course may not have met its stated objectives if the course has not developed a person's skills, capabilities and connections for the purposes of startup businesses: see paragraph 128B-25(1)(a).

Note 2: For the consequences if an amount of assistance is reversed, see sections 128D-5, 128D-10 and 137-17. See also paragraph 128B-1(1)(c).

(2) Without limiting the matters that may be included in the STARTUP-HELP guidelines, those guidelines must set out:

(a) principles and procedures that the *Secretary must follow in deciding whether the stated objectives of an *accelerator program course have been met; and

(b) procedures for a person who is, or has been, enrolled in an *accelerator program course to make an application to the *Secretary for an amount of *STARTUP-HELP assistance to be reversed under subsection (1).

(5) Schedule 1, item 73, page 34 (line 5), at the end of the definition of *reversed* in subclause 1(1) of Schedule 1, add:

; (f) section 128E-40 (accelerator program course objectives not met).

This relates to the really important issue of ensuring that, if an accelerator course does not stack up and if an accelerator course does not—

The TEMPORARY CHAIR: Senator Henderson, I'm just going to interrupt you before you speak to your amendments to make sure that leave is granted for you to move them together, which I presume it will be. Leave is granted. Please continue.

Senator HENDERSON: Amendments (4) and (5) on sheet 1937 concern the ability of students to access a refund. We think this is critically important. So this provision provides that the debt for an accelerator program course with a higher education provider can be reversed if the secretary is satisfied that the course has not met its stated objectives. We propose these particular amendments because there is such high risk involved with these accelerator courses because they are full-fee-paying courses.

As I mentioned earlier in this debate, the universities are doing a first-class job at delivering a very broad range of courses—accelerator courses, activator courses, incubator courses, co-working spaces and mentoring programs—which are mostly delivered at no cost to the student. So, if this scheme is going to be rolled out, we want to make sure that the universities are held to account.

I will say that we have had some discussions with the government in relation to this particular amendment, and, from our discussions, I am concerned about any suggestion that this should be discretionary. Of course, this is very much in the hands of the secretary of the department, so we want to make sure that, if a student is charged \$11,800 for a course, an enormous amount of money which, of course, will be indexed—and then who knows? With the way things are going, it could end up being a \$20,000 debt for the student. We want to make sure that, if that course is not fit for purpose and doesn't meet its objectives, the student has an important opportunity to seek to obtain a refund.

This will be safeguarded by the Secretary of the Department of Education. We recognise that, in determining the merits of a refund, there need to be proper principles in place, so that is why, in clause (2) under amendment (4), we are proposing that the guidelines must set out the principles and procedures that the secretary must follow in deciding whether the stated objectives of an accelerator program course have been met and that there are procedures for a person who is or has been enrolled in an accelerator program course to make an application to the secretary for an amount of STARTUP-HELP assistance to be reversed.

We very much hope that this provision is not needed by any student. Assuming that any university does go ahead and deliver a Startup Year course, we very much hope that these courses are of the highest quality and that the universities will work exceptionally hard to make sure that they deliver real value for money. But, as we know, through the consultation process and the concerns that continue to be raised by a number of universities, the value to students is very much at issue. Despite the rhetoric from the government and despite the universities indicating they support the Startup Year program in principle, so far we have seen no evidence that these courses are going to deliver value, and therefore we want to make sure that the universities are held to account for the way in which these programs are delivered.

This is a really important safeguard. This is about putting students first. Frankly, as I mentioned, we very much hope that students don't need this recourse and don't have to go through the rigmarole of applying for a refund and needing the secretary to make the appropriate assessment in relation to a course. But this is a safeguard of last resort, and it's very, very important, when students are facing cost-of-living pressures as they are, remembering, of course, that most students who will embark on a Startup Year course, if any do—and, as I said in my speech in the second reading debate, currently I don't think there is any merit in any student doing a Startup Year course and incurring such enormous debt with such little discernible value. Perhaps the universities will deliver some courses that present that value, but, if they do, we want to make sure that students are protected. I really hope and trust that we can attract

the support of the Senate in adopting this particular amendment. As I said, this is a recourse of last resort. This demonstrates the opposition's concern for the cost-of-living crisis that so many students are facing.

This also reflects our deep concern about the enormous acceleration in student debt—another 7.1 per cent increase in student debt from 1 June. We expect there'll be another very significant increase next year—at least three per cent, maybe four per cent. All in all, under Labor, more than three million Australians with a student debt are looking at an increase in their student debt, by reason of the indexation which applies, of some 15 per cent. In the last decade, principally under the coalition, the average indexation rate was two per cent. It was moderate, it reflected a strong bipartisanship that we've always had for the HECS-HELP scheme and it was fair. But this is not fair. When you couple this with the fact that the HECS payment system is antiquated and needs urgent reform—particularly when students are paying down their debt, those repayments are not being realised in real time and students are being indexed on the higher rate from 1 July, the beginning of the financial year—then we think this is really, really important.

I hope, Minister, that you might support this. This will demonstrate that the government does care about student debt. Your support, Minister, for this provision would demonstrate that the government is putting the needs of students first, with respect to those who do a Startup Year course that doesn't measure up. We hope and trust that this particular amendment does attract the support of the Senate.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:44): Sorry to let you down, Senator Henderson, but we will not be supporting this amendment. It will be opposed in its current form as it does not fit with the rest of the Higher Education Support Act and would introduce review mechanisms which would conflict with existing measures and create uncertainty across the HECS-HELP system. There are existing mechanisms in higher education legislation which address noncompliant delivery of courses by providers. These are sufficient to cover Startup Year. In addition, the working group and then the pilot program will be closely assessing and monitoring the quality of courses to be approved and offered, and we believe that is an appropriate pathway forward.

Senator HENDERSON (Victoria) (18:45): I have a number of questions in relation to the minister's position on amendments (4) and (5). Minister, I am deeply concerned that the government is not supporting these provisions, which give students the right to secure a refund. I'm deeply concerned that the government doesn't see the merit. I appreciate that there are existing measures in relation to these matters, but, insofar as what's been presented to me from the government, they are discretionary. In our discussions in relation to this particular provision, what was put forward to me would not give students an inherent right to secure a refund. In fact, this provides that the STARTUP-HELP guidelines must include the provisions to secure a startup refund. Could you explain to me, Minister, why it is that you don't believe universities should be held to account to ensure that they deliver the best quality courses?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:46): We do believe that they should be held to account. But, as I mentioned, we believe that there are sufficient existing mechanisms in place to ensure that higher education providers do the right thing and that we address the noncompliant delivery of courses by them. We believe that that will also be in place to cover the Startup Year. In addition, we've also said that the working group and then the pilot program will be closely assessing and monitoring the quality of courses to be approved and offered. We think we've got the appropriate mechanisms in place through both existing structures and then what we're proposing around the working group to ensure that we have this important issue covered.

Senator HENDERSON (Victoria) (18:47): Minister, you've mentioned the working group. Could you explain how the working group will operate and how that will hold the universities to account in relation to the courses which are delivered?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:47): My understanding is that it is in the guidelines and it will be government, business and universities working together. We think that's an appropriate way for this to be dealt with.

Senator HENDERSON (Victoria) (18:48): That sounds very vague, Minister. I don't quite know what you mean by that. How will the working group ensure that universities are going to provide courses of the quality which justifies the government imposing a full fee of \$11,600 for one simple course that currently students can do for nothing? Where is the protection for students? You've not given me any satisfaction at all. If you're saying that there are alternative ways in which a student can obtain a refund if a course doesn't measure up, can you please explain what they are?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:49): This is from the draft guidelines of pilot 13:

13. The Department of Education (the Department) will appoint a Startup Year Working Group, comprised of representatives from the university, business, and government sectors, to monitor the implementation and operation of Startup Year during the pilot. The Working Group will provide advice to the Department of Education on the Startup Year program settings and any other matters affecting program outcomes and objectives.

14. The Department will also work closely with participating universities to understand implementation challenges, the student experience, and areas for future improvement. The Department may call on participating universities to provide information to the Startup Year Working Group, including details of participant diversity, course attrition/completion rates, participant destination and outcomes information and course evaluations.

Senator HENDERSON (Victoria) (18:50): With respect, you didn't answer my question. I asked if there are alternative ways in which students' concerns can be heard. How then can students get a refund if they do a course which is a joke? If they've paid \$11,600, what do they do then? If you're suggesting to me there are other ways in which students can be safeguarded, could you please explain what they are? Because, so far, you haven't.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:50): My understanding of the way the process works is that students are able to start a complaints progress through the university that they're enrolled at, and then other mechanisms can flow from that, but that is the starting point for students if they wish to raise a complaint.

Senator HENDERSON (Victoria) (18:51): I understand that students can raise a complaint, but how does that ensure that students will get a refund if their complaint has merit?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:51): Ultimately, either the ombudsman or TEQSA would be responsible for making a determination on how that is dealt with.

Senator HENDERSON (Victoria) (18:51): I have to say that sounds totally inadequate. What you're proposing is that students will need to go through a horrendous bureaucratic nightmare to get justice if a university rolls out an accelerator course which doesn't measure up. I am very disappointed that the government has not seen merit in this particular amendment. Based on what you have said, I have no sense of satisfaction at all that students will be able to get a refund. Could you just confirm to me the period of time it would take if a course is defective, doesn't meet its objectives or hasn't delivered for a student to make a complaint, to go through TEQSA, to have the university audit it and to examine the merits of the complaint? Does the student have an inherent right to access a refund?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:52): I don't have a time line in front of me as to how long it would take. But the point is that this currently applies to students in universities now. So it is the same process for a student enrolled now, in terms of the process they would have to go through. If they were unhappy or if they were seeking some sort of recompense, the same as it is for a student now would apply to the Startup Year program.

The TEMPORARY CHAIR (Senator Pratt): The question before the chair is that amendments (4) and (5), as on sheet 1937, revised, be agreed to. A division has been called but I understand that divisions are deferred, so that will take place tomorrow. Senator Henderson?

Senator HENDERSON (Victoria) (18:53): I move opposition amendment (1) on sheet 1937, revised 2:

(1) Clause 2, page 2 (cell at table item 1, column 2), omit the cell, substitute:

The later of:

(a) the day after this Act receives the Royal Assent; and

(b) the day after a copy of the proposed STARTUP-HELP Guidelines has been tabled in the Senate.

However, the provisions do not commence at all if the event mentioned in paragraph (b) does not occur.

This provides that the bill effectively proceed the day after this act receives royal assent and the day after a copy of the proposed STARTUP-HELP guidelines have been tabled in the Senate. I appreciate that the guidelines have now been tabled in the Senate, but I would still like to put that to the Senate please.

The TEMPORARY CHAIR: The question is that—Minister?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:54): I want to get some clarity on what number that was.

The TEMPORARY CHAIR: No. (1) on sheet 1937, revised 2.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:54): Didn't we just vote on (1), (4) and (5)?

The TEMPORARY CHAIR: No, that was on (4) and (5) only.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (18:55): I want to indicate to the Senate that the government will be opposing this amendment.

The TEMPORARY CHAIR: The question is that item (1) on sheet 1937, revised 2, be agreed to. We will defer the division on that until tomorrow.

Senator Henderson, you have one further amendment on sheet 1965. Is that correct?

Senator HENDERSON (Victoria) (18:55): I do, Chair. I move amendment (1) on sheet 1965, revised, which has been recently circulated:

(1) Schedule 1, item 25, page 9 (after line 17), after Division 128A, insert:

Division 128AA—Accelerator program course pilot

128AA-1 Accelerator program course pilot

- (1) The Minister must cause an *accelerator program course pilot to be conducted.
- (2) Without limiting the matters that may be included in the STARTUP-HELP Guidelines, those guidelines must:
 - (a) nominate at least one, but no more than 2, higher education providers to conduct the pilot (the *nominated higher education providers*); and
 - (b) prescribe requirements in relation to the conduct of the pilot; and
 - (c) provide for an independent review of the pilot; and
 - (d) prescribe requirements in relation to the conduct of the independent review; and
 - (e) provide that a report of the independent review be tabled in each House of the Parliament.
- (3) A higher education provider (other than the nominated higher education providers) must not enrol a person in an *accelerator program course until the pilot is completed.
- (4) The pilot must be completed no later than 2 years after the commencement of this section.
- (5) For the purposes of subsections (3) and (4), the pilot is completed when the report of the independent review of the pilot is tabled in each House of the Parliament.
- (6) For the purposes of entitlement to STARTUP-HELP assistance under subsection 128B-1(1), the pilot is an *accelerator program course.

This is a very important proposal to provide that, before the Startup Year program is rolled out in full, the universities or the government require the universities to conduct a pilot. In the initial consultation, one of the deep concerns of the universities was, 'We can't see the value proposition, we can't see what discernible benefit this provides to students, we are deeply concerned, and we suggest that a pilot be rolled out first.' The government says that it took into account the scathing criticism that it received in the consultation process. In fact, it was so scathing that the government did everything it could to keep the submissions to the consultation secret, and the opposition needed to secure an order in the Senate to have those submissions made public, as I mentioned in my second reading speech.

One of the principal concerns of the university sector was that they need to understand the efficacy of this Startup Year program, how it will work, how they can assess it. This amendment provides that three higher education providers will conduct a pilot, there will be prescribed requirements in relation to it, there will be an independent review of the pilot and that independent review will produce a report to be tabled in each house of the parliament. This would ensure that there is appropriate accountability and transparency. While the amendment requires that the pilot must be completed no later than two years after the commencement of this section, the bottom line is that the universities are simply not ready to deliver any of these courses. I'm laughing because I'm watching one of the minister's advisers laughing. I probably shouldn't make that comment; I accept that.

The TEMPORARY CHAIR: Let's move on before a point of order is required.

Senator HENDERSON: I accept that I should not be reflecting on advisers. The bottom line is, as the universities have indicated to me, they're not ready because this so-called Startup Year program starts in under two weeks. We don't have the course, we don't have a proposal, nothing has been designed. The guidelines have just

been tabled today. The university sector has been blind as to how this program will work, and it will take, based on the advice I've received, a very significant amount of time to design the courses, to promote them and to market them. This could take some 18 months, so this is a responsible and appropriate response to a ham-fisted scheme which will at least ensure that the efficacy of the Startup Year program and this loan scheme can be properly piloted.

The government is proposing to roll out one thousand places. That is not a proper pilot. Just delivering half of the program now is not a proper pilot. We want to make sure that a proper pilot is delivered that will ensure that the welfare and the rights of students are first and foremost. This is about protecting students. I have to say that we went about this with a lot of good faith. We did not oppose this bill in the House. We did seek to pass a second reading amendment, which was very critical of aspects of the bill. But we went about this with a lot of good faith because we recognise that startup courses, accelerator courses and incubators are key to so many young Australians getting ahead and getting the mentoring and guidance they need to start their first business, to come up with a great idea, to develop it, to grow a business and to employ others in their business. As I mentioned earlier, the UTS Startups hub has developed businesses that have a total value of more than \$500 million. These courses are incredibly important. If the government, with this crazy idea, now wants to start charging for courses that currently students can do for nothing, then the government should be held to account and this scheme should be properly tested.

So I commend this amendment to the Senate. It also provides that, in relation to designing a pilot, the minister should consult with key stakeholders and peak representative bodies from the higher education sector, as well as organisations currently running accelerator programs. We want the government to work with industry, with those running accelerator programs and with higher education providers to make sure that we have a proper pilot that can be tested on agreed criteria and then properly reviewed with the appropriate accountability back to the parliament.

This will be a very positive measure for students, and, frankly, it could save the government from itself. I'm absolutely certain that a properly run pilot would identify a range of risks and a range of gaps in this program which will give the parliament the opportunity to improve. So I do commend this amendment to the Senate. The opposition is very proud to be standing up for students and putting their needs, their welfare and their best interests at heart first and foremost.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:02): We appreciate Senator Henderson's concerns for the government's welfare. It's much appreciated, Senator Henderson, but the government will be opposing this amendment. We have already stated the startup year will commence with a 12-month pilot program. The opposition amendment seeks to artificially limit the pilot to three universities. In our view, this will restrict the effectiveness of the pilot and runs contrary to the opposition's earlier amendment that regions must be included in this program.

The draft guidelines make it clear that a working group will be convened, as recommended in the consultation process, to advise on the pilot program and their work together with the departments. This should not be artificially limited by the opposition's amendment. And the government will oppose it.

Just on some other clarity that Senator Henderson might find helpful, it is the view of the government that universities will be able to apply to conduct courses in the second half of this year. We would then imagine students starting in February next year. That would be the time line that we'd be working towards.

Senator HENDERSON (Victoria) (19:03): Minister, I'm very disappointed for a start, but, secondly, can you please provide me with details as to which university advised you that it will be ready to start an accelerated course from February next year? Because that is not consistent with the advice I have received.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:04): We'll be working on that with universities over the next couple of months if we can pass this legislation.

Senator HENDERSON (Victoria) (19:04): Minister, you didn't address my question. You made a specific statement that some universities will be seeking to apply for startup year places in the coming months and will be ready to start their courses in February of next year. That is not consistent with the advice I've received. You may have more information. Could you please advise me specifically which universities have indicated that they will be ready to launch a startup year program or a course by February 2024?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:05): That's not what I said, Senator Henderson. What I said was: universities would be able to apply for courses in the second half of this year, and then we envisage students being able to start in February next year.

Senator HENDERSON (Victoria) (19:05): Minister, you didn't use those words. Your representation was that universities would be starting courses—or some universities would be ready to start courses in February of next

year. And I put it to you that they won't be ready to start in February of next year. They've only just seen the guidelines tabled in the Senate today—these are the guidelines which underpin how this startup year program will run—so they've got absolutely no idea how the government proposes to run the startup year courses, because they've only just learnt of those today. So I would welcome any further advice that you have, because Universities Australia, for one, has indicated to me that this is not something that universities can just quickly turn around and get up and running quickly.

You've indicated that this will be a 12-month pilot program of up to 1,000 places. Will this pilot program be concluded within 12 months, Minister?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:06): Yes, that's my understanding.

Senator HENDERSON (Victoria) (19:06): On what basis do you make that representation to the Senate, as to a pilot program? So what you're putting to me, Minister, is that, in 12 months, the universities are going to apply for places, promote a course of up to 1,000 places, market the course in the coming months, have the course ready to go from February of next year—up to 1,000 places—and then complete the pilot by mid next year, which is the end of semester 1. On what basis do you give that assurance to the Senate?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:07): That is what the government is working towards. Obviously, the 12-month pilot program would start from when students start, which we are anticipating will be in February next year, and that would be when we see the 12-month pilot program working from.

Senator HENDERSON (Victoria) (19:07): Minister, could I ask which universities have indicated that they are very keen to run a pilot program? Which will be applying for places? And do you have any confidence that 1,000 places will be rolled out by the middle of next year?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:08): My understanding is that, at the hearings that were held as part of the inquiry process, QUT, CQU, University of Queensland and CSU indicated that they would be able to start a program within 10 weeks—that's the evidence they gave before the Senate inquiry.

Senator HENDERSON (Victoria) (19:08): Minister, thank you. Is that still the case? So you're suggesting that they will be up and running with their course design and proposal within 10 weeks?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:09): That's the answer that those universities provided. Obviously, the time line that I talked you through earlier, Senator Henderson, was that our view would be that we'd be aiming to have students enrolled from February next year.

Senator HENDERSON (Victoria) (19:09): Minister, what evidence do you have that one student in this country is going to enrol in a course? What concrete evidence do you have that any student would line up to do a course such as this when there are currently 120 accelerator and incubator courses? They are on the Universities Australia website for anyone who wants to have a look. Students can do one of a huge range of courses at principally no cost or at very little cost. What evidence do you have that any students at all will sign up to do one of these courses?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:10): We know that those courses have been successful, and we think that's fantastic, but it also shows that there is demand for these courses. That is why we took this policy to the election. It was one that was endorsed by the Australian people. We are obviously quite excited about it. I think it is something that the country has fallen behind on. We think that this is going to be a good incentive to get people who do have a vision for themselves being an innovator to make use of these courses. We think that there is strong demand in the community. Obviously that's the work that will be undertaken by the department and the working group if we are able to pass this legislation.

Senator HENDERSON (Victoria) (19:11): Minister, where is your evidence that there is strong demand for students to sign up to and spend \$11,600 on courses they can do for nothing? What student in their right mind would take on that sort of debt when currently we have no evidence at all that these courses are going to be any better than the ones currently on offer? You talk about incentives; this is a perverse disincentive. Why would a student sign up? It would have to be something incredible to justify a student paying this sort of money. This is a perverse disincentive to do a Startup Year accelerator course, because the government didn't even have the decency to provide these places with Commonwealth subsidy. The government were so committed to this scheme that they thought they would hit students with a full-fee-paying debt. So I again return to my question: where is the evidence that any student would sign up? Do you have any testimonials from any student group—or anyone at all—who said, 'Minister

and Prime Minister, we want to sign up and do a course and pay \$11,600, \$11,800 or even \$23,600, if we do two courses; we want to take that debt on rather than do a course for no cost'?

This is why this is such a hairbrained scheme. If the accelerator courses being offered by the universities were not working, if there weren't accelerator courses, if the universities weren't investing, I could understand it. But the fact of the matter is the university sector sees great value in delivering this incredible wide range of courses, and they are, right across this country. As I say, you have presented no evidence at all that any student is going to be unwise enough to take on this level of debt to do a course they can currently do for nothing. I would again invite you to provide the Senate with evidence that students are going to sign up to this course.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:13): I am aware that the department has conducted staff surveys which have indicated that there is strong interest from students in doing an accelerator program. I think it was something like 55 per cent of students who indicated they were interested. Then there is also the feedback from universities. I've talked about this repeatedly. Universities Australia said it supports and applauds the government's initiative for the establishment of a startup year. They also said it was absolutely a value proposition for students in universities. So I think that's a good indication of where the sector sits. Again, the Australian Technology Network said, 'We fundamentally think this is a great program,' and the University of Technology Sydney said in its submission to the inquiry that the bill will 'help the next generation of young Australian entrepreneurs bring their ideas to life' and that it 'commends the government for exploring innovative and long-term solutions to fund and support new startups'.

So there is plenty of evidence that students are interested in this. You only have to attend a university campus and talk to students to hear about the interesting things they're doing but also how optimistic they are about the future and the role they can play in the future. We think this bill will play an important part in that.

Senator HENDERSON (Victoria) (19:15): Minister, I think you've forgotten to inform the Senate that the Australian Technology Network initially took the view that, if the government were going to provide any funding for student entrepreneurs, that money should go to the students by way of capital to support the students in their various enterprises. Yes, there was a bit of a backflip in the Senate inquiry; I do agree with that. But I also am concerned that the university sector are seeking to appease the government. Perhaps they see a bucket of money coming their way as part of the Universities Accord process. I think they'll be sadly disappointed. But I think the initial consultation that we saw indicated the enormous breadth of concern from the university sector.

I just want to take you to the student survey, because I'm not quite sure that you're across the details of the survey, Minister. Unfortunately, we weren't able to access all of the data, because the government refused to provide that. But, in the data that the government has provided, 55 per cent of students surveyed—and we're looking at 530 students, which is only a very small handful, in three focus groups—have an interest in joining a startup; 83 per cent would join a university accelerator; and the majority, 58 per cent, would consider taking out a HELP loan, but the majority, 62 per cent, would expect to pay \$6,000 or less. So whoops! Here's your own survey, Minister, that says that the majority of students would not expect to pay anything like more than \$10,000 or more than \$11,000. In fact, New South Wales TAFE is offering a very good course in entrepreneurship for about \$6,000. So the majority of students have told you very clearly that they don't expect to pay such an exorbitant fee. So I would put to you, Minister, that the evidence to support students taking on such an exorbitant debt by doing a Startup Year course is not fair, and on behalf of all Australian students, frankly, I express my profound disappointment that the government has not been more mindful of the enormous burden that this could place on students.

Minister, are you able to inform the Senate as to which universities are planning which courses? Can you provide any detail about the sorts of courses that are going to be offered to students? What amazing courses will be on offer that students are going to pay \$11,800 for? Could you describe the types of courses that you believe will, within 10 weeks, be rolled out?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:18): Like you, Senator Henderson, I'm very excited about it, as I'm sure the chair is. Unfortunately, we will have to wait until those discussions have taken place, but as soon as we become aware I'm sure that the good news will be shared with you and the community as well.

Senator HENDERSON (Victoria) (19:19): Minister, is the government aware that most accelerator courses and incubator courses are offered at no charge? I am just curious to know whether you've done that basic research.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:19): I actually mentioned it in my summation speech, Senator Henderson, which I'm sure you were tuned into. We did talk about it, and we do know

that they have been important, and I suppose that gives us confidence that there is demand out there for these courses. So we think it is a good thing—delivering on our election commitment—and we think it is a program that will be well received, because there is demand out there for this type of course.

Senator HENDERSON (Victoria) (19:19): I'm not going to go over that one again, because that's laughable—sorry, I am laughing because it is absurd to suggest that there's currently demand for courses when these courses are available to students for free. You haven't made the case, even in your own survey, that students are going to line up to take on this debt. Unless there was something incredibly exceptional, I think students would be very unwise to take on this debt. Can you confirm whether Startup Year loans will be subject to indexation?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:20): The case that applies to all HECS loans will apply to this.

Senator HENDERSON (Victoria) (19:20): And it is the case that Startup Year loans, Minister, won't contribute to a student's HECS loan limit, so if a student is at their capped HECS loan limit then they can go on to incur another very significant debt on top of that. That's the case, isn't it?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:21): That's correct, Senator Henderson.

Senator HENDERSON (Victoria) (19:21): So isn't the government being totally irresponsible in protecting students? You are not even of the mind to cap a student's debt liability. Of course, as we know only too well, the higher your HECS debt the more difficult it is to even borrow money to buy a home, because your HECS debt is calculated in your overall liabilities. Some students and some young Australians are actually paying off their HECS debt and yet their HECS debt is going up. Why was the government not more mindful of the additional liability that this will place on students?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:22): I think we have acknowledged that. I have heard Minister Clare talk about it repeatedly. I've heard others talk about it. We had an ongoing session at education estimates about that. We understand that students are doing it tough in relation to their HECS debt. It is something the government are aware of, but we also do acknowledge the overwhelming difference that HECS has made for the country in terms of enabling people to go to university who otherwise would have missed out. I can put myself in that category. If it were not for HECS, I have no doubt I would never have been able to achieve at university. I am sure there would be others as well.

We understand it is an important component of the higher education space. It is capped. My understanding is that the accelerator start-up program is capped as well in terms of HECS. That is what will apply in relation to the start-up program.

Senator HENDERSON (Victoria) (19:23): Minister, the point I was making is that the Startup Year loan debt liability sits over and above the HECS cap, meaning that students are very vulnerable to attracting an additional debt, which puts them potentially in more hardship. How many students will a university require to commence a Startup Year course?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:23): Obviously there are 1,000 in the scheme. How many each university will take on will be worked through as part of discussions following the passage of the legislation.

Senator HENDERSON (Victoria) (19:23): It appears that there's a lot to work through, Minister. You have been in government for more than a year. Why aren't you able to answer these very basic questions, such as the types of courses that will be delivered and how many students will be required to run a course? It seems astonishing to me that you have been in government for such a long time and the government has so little detail and grasp of how this scheme is going to be delivered.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:24): We obviously disagree, Senator Henderson. I suppose we have had a pretty big agenda. We've been delivering on 20,000 additional university places. We've also been focused on the university accord, but we also want to deliver on our election promises. That's what this legislation is about. The process that the department will go through with the sector, following this, would be to work out those exact details about the nature of the course and how many universities and students would be taken on at each one.

Senator DAVID POCOCK (Australian Capital Territory) (19:25): I just want to clarify that there's currently an amendment before us, so I'll wait to move mine.

The TEMPORARY CHAIR (Senator Sterle): I understand why you ask. If there are no further questions, the question is that opposition amendment (1) on sheet 1965 revised be agreed to. A division having been called, the division will take place tomorrow, as per an earlier decision. Senator Pocock.

Senator DAVID POCOCK (Australian Capital Territory) (19:26): by leave—I move amendments (1) and (2) on sheet 2017:

(1) Schedule 1, item 25, page 22 (after line 25), at the end of Subdivision 128E-B, add:

128E-40 Reversal of STARTUP-HELP assistance: material non-compliance

(1) An amount of *STARTUP-HELP assistance that a person received for an *accelerator program course provided during a period by a higher education provider is *reversed* if a report of an audit conducted in accordance with subsection (2) finds that there is any material non-compliance with respect to the course provided in the period.

Note: For the consequences if an amount of assistance is reversed, see sections 128D-5, 128D-10 and 137-17. See also paragraph 128B-1(1)(c).

(2) The STARTUP-HELP Guidelines may require higher education providers that provide *accelerator program courses to conduct internal audits, or to arrange for audits, of compliance with the STARTUP-HELP Guidelines with respect to the courses. The Guidelines may prescribe any or all of the following:

- (a) circumstances in which audits must be conducted or arranged;
- (b) requirements in relation to when and how audits must be conducted or arranged and reported on.

(2) Schedule 1, item 73, page 34 (line 5), at the end of the definition of *reversed* in subclause 1(1) of Schedule 1, add:

- ; (f) section 128-40 (provider non-compliance).

I understand these amendments would be contingent on amendments moved by Senator Henderson around the refund for students. I also share this concern for students going into newly formed accelerator programs, and, should those programs not be up to scratch, then having some sort of recourse, some sort of way to get a refund. These amendments state that a university can be required to conduct an audit of the course, and, should it be found to be deficient, then the students would be entitled to a refund. I thank Senator Henderson for her work on this bill and her concern for students who potentially would be billed for a course that does not necessarily meet the requirements, but I believe this is a way to achieve that outcome through using an audit. Minister, I just have one question. The bill being around startups and entrepreneurship, I'm interested in why the emphasis is on the accelerator programs creating qualifications rather than startups, and, with that in mind, whether the government will consider providing funding to expand accelerator programs that have a proven record of helping support startups. For example, here in Canberra the Canberra Innovation Network, CBRIN, has a long history of working with universities and working with students, helping them develop their startup. An independent review suggested that, for every \$1 invested in CBRIN, they were returning \$50 worth of value to the Canberra area.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:28): On your amendment, Senator Pocock, I indicate the government will support these amendments. We believe these amendments are for a more targeted measure which conforms with the existing protections for students under the higher education legislation protection. In terms of the point you make about support for other programs, we do understand that it is important for the government to support other programs. I suppose the point with this is that it is linked to HECS, and that is why there needs to be a university course attached to it. That is why this program is focused on HECS and the courses that would be associated with that through higher education providers, but I do understand your point about support for other programs that are important as well and can generate economic opportunity and jobs as a result.

Senator HENDERSON (Victoria) (19:29): I just want to ask Senator Pocock a couple of questions in relation to this provision. I understand that this is a provision which was drafted by the government. Senator Pocock, at first blush, this appears to be another way that students can access a reversal of their Startup Year fee. My concern is that there's no compulsion to include this provision in the Startup Year guidelines. If I take you to clause 2 of item 1, it says:

(2) The STARTUP-HELP Guidelines may require higher education providers that provide *accelerator program courses to conduct internal audits, or to arrange for audits, of compliance with the STARTUP-HELP Guidelines with respect to the courses. The Guidelines may prescribe any or all of the following:

- (a) circumstances in which audits must be conducted or arranged;
- (b) requirements in relation to when and how audits must be conducted or arranged and reported on.

Senator Pocock, I think the government sold you a bit of a dud here, and the reason I say that—because we've also looked at this amendment—is that it's discretionary. The provision that the opposition has put forward, in relation

to student refunds, puts the students first and foremost. There's a lot of legalese in this particular amendment, but the bottom line is that the government is not required to make these provisions, because of the way in which clause 2 of item 1 is drafted. I just want to raise that concern and ask you whether you also share my concerns that the government should not be allowed to be let off the hook on this and that it should be mandatory that the government provides students with the opportunity to have their fee reversed and to get the refund if, as I've talked about already in this debate, it is necessary—if a course doesn't measure up.

The TEMPORARY CHAIR (Senator Sterle): The question is that amendments (1) and (2) moved by Senator David Pocock on sheet—sorry. Senator Henderson?

Senator HENDERSON (Victoria) (19:32): Is Senator Pocock able to address that? Understanding where the amendment came from, I'd be very happy if the government could explain that as well, given the government appears to be supporting this.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:32): I can assist. The audit element is under the existing protections, and the government will issue appropriate guidelines in due course as well.

Senator HENDERSON (Victoria) (19:33): Minister, I think it's probably unfair to Senator Pocock that you haven't been more transparent about this, and, mind you, we've only recently seen this amendment as well. My deep concern is that you're proposing that the STARTUP-HELP guidelines 'may' require higher education providers to conduct an internal audit. I'd invite Senator Pocock to reply if he has any concerns that he wants to share with the Senate on that. But my concern about this amendment is that there's no compulsion to do so. Therefore, it leaves students stranded without the appropriate mechanism to secure a refund, and it really only becomes a matter of discretion as to whether the government includes these provisions in the guidelines. Minister, I'd like to check something with you. As you know, I've received a copy of your guidelines during this debate, but, obviously, I haven't had an opportunity to read them. Do your guidelines provide provisions in relation to the requirement of universities to conduct an internal audit?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:34): Obviously, if any changes are made to the legislation here, we would update the guidelines as a result.

Senator HENDERSON (Victoria) (19:34): Can you address that question, though? Do the guidelines currently provide that higher education providers must conduct internal audits or arrange for audits to be conducted so as to give students the pathway to obtain a refund?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:35): As the guidelines currently stand, my understanding is they do not.

Senator HENDERSON (Victoria) (19:35): Is the government open to including these provisions in the guidelines because—

Senator Pratt interjecting—

Senator HENDERSON (Victoria) (19:35): I'll just ignore that interjection. Is the government willing to include this as a mandatory obligation, because I understand this is Senator D Pocock's amendment, but currently this is only a matter of discretion, which gives students no guarantees whatsoever. So would the government agree, as a matter of course, to include this provision in the guidelines?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:36): I already answered that, Senator Henderson. Yes.

Senator HENDERSON (Victoria) (19:36): So you are indicating that you will be including this provision in the guidelines?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:36): If the amendment is supported, yes.

Senator HENDERSON (Victoria) (19:36): I'm just wanting to raise a matter with Senator D Pocock. I'm still considering our position in relation to this amendment, because we haven't had a division in relation to the amendments brought forward by the opposition, so it's quite tricky to work out whether our provision in relation to refunds for student debt will be supported. We need to keep our options open, at this point in time, because divisions will be held tomorrow.

Senator D Pocock, in relation to provision (2), what I'm wanting to propose is that the word 'may' be deleted and replaced with the word 'must' in both the first line and in the fourth line. So it would read:

The STARTUP-HELP Guidelines—

must—

... require higher education providers that provide accelerator program courses to conduct internal audits, or to arrange for audits, of compliance with the STARTUP-HELP Guidelines with respect to the courses.

The guidelines must:

... prescribe any or all of the following.

I'm proposing that this amendment be further amended by amending those two words, deleting 'may' and replacing those words with 'must'. Could I ask you to respond to that, Senator D Pocock.

Senator DAVID POCOCK (Australian Capital Territory) (19:38): Thank you for the question. I'm engaging in this in good faith. We've heard from the government. They've stated that they will update the guidelines to be consistent with whatever passes here. I don't see a problem with moving from 'may' to 'must', but I'm happy to engage on this more. You said this is the first you've seen it circulated in the chamber. My understanding is that there have been discussions about this. Is this the first time you've seen it or have you actually seen this amendment before?

The TEMPORARY CHAIR (Senator Sterle): The question is:

That amendments (1) and (2) moved by Senator David Pocock on sheet 2017 be agreed to.

Question agreed to.

Senator Pratt: Point of order, Chair. We need to know whether Senator Pocock amended his amendment before it was moved or not. No? Good.

Senator Henderson: There was a bit of a lack of clarity in relation to that. I am seeking for provision 2 to be amended to replace the word 'may' with 'must' in both line 1 and line 4. Chair, I'm in your hands. If I propose that formally as a motion, do I need to seek leave? Can I seek leave to move that amendment to provision 2?

Leave not granted.

The TEMPORARY CHAIR: No. What I can do to assist the chamber is put the question again, and, if it goes to a division being required tomorrow, hopefully that can be sorted out by tomorrow.

Senator HENDERSON (Victoria) (19:40): Could I ask the government to confirm something? From you saying that you won't agree to changing the wording in provision 2 from 'may' to 'must' so that there is an obligation to include this provision in the guidelines, I can only deduce that the government is not committed to providing the rights of an internal audit such that students can then access a refund, which is deeply concerning. Why would the government not agree to this if you were committed to giving students a refund using this mechanism?

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:41): We've agreed to support the amendment that has been put forward by Senator David Pocock. As I mentioned before, that will obviously result in an amendment to the guidelines as well, and that is what the government will do in response if this amendment being supported.

The TEMPORARY CHAIR: I will take it, then, that Senator David Pocock's motion was put and voted on. Are you happy for it to stand as it was a couple of minutes ago, or do I need to put the question again?

Senator Henderson: Could you put the question again.

The TEMPORARY CHAIR: The question is that amendments (1) and (2), moved by Senator David Pocock, on Sheet 2017 be agreed to. A division will be required for tomorrow.

Senator Faruqi: Before I move the Greens's two amendments on Sheet 1931, I have a question. Do I seek leave to move them together? I do want to have the question on each of them put separately, so should I move them separately, or can I move them together and then the questions can be put separately?

The TEMPORARY CHAIR: You can move them together and then put the questions that you want to deal with it separately.

Senator FARUQI (New South Wales) (19:42): by leave—I move amendments (1) and (2) on sheet 1931 revised together:

(1) Page 38 (after line 15), after Schedule 1, insert:

Schedule 1A—Abolishing indexation

Part 1—HELP debts

Higher Education Support Act 2003**1 Section 129-1**

Omit:

Accumulated HELP debt, or the indexation of that debt, may be reduced for certain HELP debtors working in rural, remote or very remote areas (see Divisions 142 and 144).

substitute:

Accumulated HELP debt may be reduced for certain HELP debtors working in rural, remote or very remote areas (see Divisions 142 and 144).

2 Paragraph 140-1(2)(a)

Repeal the paragraph.

3 Subsection 140-5(1)

Omit all the words before the method statement, substitute:

(1) A person's *former accumulated HELP debt*, in relation to the person's *accumulated HELP debt for a financial year, is the amount worked out using the following method statement.

4 Subsection 140-5(1) (example)

Repeal the example, substitute:

Example: Lorraine is studying part-time for a Degree of Bachelor of Communications. On 1 June 2022, Lorraine had an accumulated HELP debt of \$15,000. She incurred a HELP debt of \$1,500 on 31 March 2022. She made a voluntary repayment of \$525 on 1 May 2023. Lorraine lodged her 2021-22 income tax return and a compulsory repayment amount of \$3,000 was assessed and notified on her income tax notice of assessment on 3 September 2022.

To work out Lorraine's former accumulated HELP debt on 1 June 2023:

Step 1: Take the previous accumulated HELP debt of \$15,000 on 1 June 2022.

Step 2: Add the HELP debt of \$1,500 incurred on 31 March 2022.

Step 3: Subtract the \$525 voluntary repayment made on 1 May 2023.

Step 4: Subtract the \$3,000 compulsory repayment assessed on 3 September 2022.

Step 5: Does not apply because since 1 June 2022 Lorraine had no amendments to any assessment.

Step 6: Does not apply because since 1 June 2022 Lorraine had no amendments to any assessment.

Lorraine's former accumulated HELP debt on 1 June 2023 is:

$$(\$15,000 + \$1,500) - (\$525 + \$3,000) = \$12,975$$

5 Sections 140-10, 140-20 and 142-10

Repeal the sections.

6 Section 198-1 (notes 1 and 2)

Repeal the notes, substitute:

Note: Guidelines may provide for amounts to be indexed using the method of indexation set out in this Part.

7 Section 206-1 (table item 2AA)

Repeal the item.

8 Subclause 1(1) of Schedule 1 (definition of HELP debt indexation factor)

Repeal the definition.

9 Application of amendments

(1) The amendments of the *Higher Education Support Act 2003* made by this Part apply in relation to the financial year starting on 1 July 2023 and each later financial year.

(2) Despite the repeal of section 142-10 of the *Higher Education Support Act 2003* and item 2AA of the table in section 206-1 of that Act by this Part, those provisions continue to apply on and after the commencement of this Part in relation to the indexation of a person's accumulated HELP debt for a financial year starting on or before 1 July 2022, as if the repeals had not happened.

Part 2—Student start-up loans and student financial supplement scheme**Social Security Act 1991****10 Section 19AA (definition of HELP debt indexation factor)**

Repeal the definition.

11 Section 1061ZVEA (paragraph (a) of the paragraph beginning "In stage 1")

Omit the paragraph.

12 Subsection 1061ZVEB(1)

Omit all the words before the method statement, substitute:

(1) A person's *former accumulated SSL debt*, in relation to the person's accumulated SSL debt for a financial year, is the amount worked out using the following method statement.

13 Subsection 1061ZX(4)

Repeal the subsection.

14 Subsection 1061ZX(6)

Omit "indexed".

15 Section 1061ZZEP

Repeal the section, substitute:

1061ZZEP How to work out FS debt

The FS debt is the amount outstanding under the contract at the termination date.

16 Subsection 1061ZZER(2) (formula)

Repeal the formula, substitute:

Adjusted accumulated FS debt + Later FS debts

17 Subsection 1061ZZER(3) (definition of *indexation factor*)

Repeal the definition.

18 Section 1061ZZET

Repeal the section.

19 Subsection 1061ZZEU(3)

Omit "1061ZZET", substitute "1061ZZES".

20 Application of amendments

(1) The amendments of Chapter 2AA of the *Social Security Act 1991* made by this Part apply in relation to the financial year starting on 1 July 2023 and each later financial year.

(2) The amendments of Chapter 2B of the *Social Security Act 1991* made by this Part apply in relation to working out a person's FS debt or accumulated FS debt at 1 June 2024 and each later 1 June.

Part 3—ABSTUDY student start-up loans and financial supplement for tertiary students

Student Assistance Act 1973

21 Section 3 (definitions of *HELP debt indexation factor* and *indexation amount*)

Repeal the definitions.

22 Section 9A (paragraph (a) of the paragraph beginning "In stage 1")

Omit the paragraph.

23 Subsection 9B(1)

Omit all the words before the method statement, substitute:

(1) A person's *former ABSTUDY accumulated SSL debt*, in relation to the person's accumulated ABSTUDY SSL debt for a financial year, is the amount worked out using the following method statement.

24 Subsection 12A(4)

Repeal the subsection, substitute:

(4) The student is entitled, but not required, to make early repayments above a certain amount in respect of the supplement during the period of the contract. There is a discount, worked out under subsection 12ZA(7) or (7A), for repayments made before the end of that period.

25 Subsection 12A(5)

Omit "indexed".

26 Section 12W

Omit "(including the amount attributable to indexation, which is identified by section 12Y)".

27 Subsection 12X(3) (definition of *the amount outstanding*) (formula)

Repeal the formula, substitute:

previous amount outstanding *minus* (actual repayments + discounts)

28 Subsection 12ZF(1)

Repeal the subsection, substitute:

(1) If, at the end of the contract period in relation to a financial supplement contract between a participating corporation and another person, there was an amount outstanding under the contract, the person incurs on 1 June immediately following the end of that period a debt (*FS debt*) to the Commonwealth.

29 Subsection 12ZF(3) (formula)

Repeal the formula, substitute:

adjusted accumulated FS debt + later FS debts

30 Subsection 12ZF(3) (definition of *indexation factor*)

Repeal the definition.

31 Subsection 12ZF(6), (7), (7A) and (7B)

Repeal the subsections.

32 Application of amendments

(1) The amendments of Part 2 of the *Student Assistance Act 1973* made by this Part apply in relation to the financial year starting on 1 July 2023 and each later financial year.

(2) The amendments of Part 4A of the *Student Assistance Act 1973* made by this Part apply in relation to working out a person's FS debt or accumulated FS debt at 1 June 2024 and each later 1 June.

Part 4—Trade support loans***Trade Support Loans Act 2014*****33 Section 5 (definition of *index number*)**

Omit "33", substitute "99A".

34 Section 5 (definition of *TSL debt indexation factor*)

Repeal the definition.

35 Section 30 (paragraph (a) of the paragraph beginning "In stage 1")

Omit the paragraph.

36 Subsection 31(1)

Omit all the words before the method statement, substitute:

(1) A person's *former accumulated TSL debt*, in relation to the person's accumulated TSL debt for a financial year, is the amount worked out using the following method statement.

37 Sections 32, 33 and 34

Repeal the sections.

38 Subsection 99(5) (note)

Repeal the note, substitute:

Note: See section 99A for the definition of *index number*.

39 After section 99

Insert:

99A Index numbers

(1) The *index number* for a quarter is the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of that quarter.

(2) Subject to subsection (3), if, at any time before or after the commencement of this Act:

(a) the Australian Statistician has published or publishes an index number in respect of a quarter; and

(b) that index number is in substitution for an index number previously published by the Australian Statistician in respect of that quarter;

disregard the publication of the later index number for the purposes of this section.

(3) If, at any time before or after the commencement of this Act, the Australian Statistician has changed or changes the index reference period for the All Groups Consumer Price Index, then, in applying this section after the change took place or takes place, have regard only to index numbers published in terms of the new index reference period.

40 Application of amendments

The amendments of the *Trade Support Loans Act 2014* made by this Part apply in relation to the financial year starting on 1 July 2023 and each later financial year.

Part 5—VET student loans***VET Student Loans Act 2016*****41 Section 23CA (paragraph (a) of the paragraph beginning "In stage 1")**

Omit the paragraph.

42 Subsection 23CB(1)

Omit all the words before the method statement, substitute:

(1) A person's *former accumulated VETSL debt*, in relation to the person's accumulated VETSL debt for a financial year, is the amount worked out using the following method statement.

43 Subsection 23CB(1) (example)

Repeal the example, substitute:

Example: Lorraine is studying part-time for a Diploma of Early Childhood Education and Care. On 1 June 2022, Lorraine had an accumulated VETSL debt of \$15,000. She incurred a VETSL debt of \$1,500 on 31 March 2022. She made a voluntary repayment of \$525 on 1 May 2023. Lorraine lodged her 2021-22 income tax return and a compulsory VETSL repayment amount of \$3,000 was assessed and notified on her income tax notice of assessment on 3 September 2022.

To work out Lorraine's former accumulated VETSL debt on 1 June 2023:

Step 1: Take the previous accumulated VETSL debt of \$15,000 on 1 June 2022.

Step 2: Add the VETSL debt of \$1,500 incurred on 31 March 2022.

Step 3: Subtract the \$525 voluntary repayment made on 1 May 2023.

Step 4: Subtract the \$3,000 compulsory repayment assessed on 3 September 2022.

Step 5: Does not apply because since 1 June 2022 Lorraine had no amendments to any assessment.

Step 6: Does not apply because since 1 June 2022 Lorraine had no amendments to any assessment.

Lorraine's former accumulated VETSL debt on 1 June 2023 is:

$$(\$15,000 + \$1,500) - (\$525 + \$3,000) = \$12,975$$

44 Application of amendments

The amendments of the *VET Student Loans Act 2016* made by this Part apply in relation to the financial year starting on 1 July 2023 and each later financial year.

(2) Page 39 (before line 1), before Schedule 2, insert:

Schedule 1B—Raising minimum repayment income and repayment amount

Higher Education Support Act 2003

1 Section 154-10

Repeal the section, substitute:

154-10 Minimum repayment income

The *minimum repayment income* for an *income year is the *median wage.

Note: Median wage is defined in section 154-11.

154-11 Meaning of median wage

(1) The *median wage* for an *income year is 52 times the amount set out for the most recent month of August before the start of the income year under the headings "Weekly earnings—Total" in a document by the Australian Statistician entitled "Employee earnings".

(2) If at any time (whether before or after the commencement of this section), the Australian Statistician publishes the amount referred to in subsection (1):

(a) under differently described headings (the *new headings*); or

(b) in a document entitled otherwise than as described above in subsection (1) (the *new document*);

then the median wage is to be calculated in accordance with subsection (1) as if the references to:

(c) "Weekly earnings—Total"; or

(d) "Employee earnings";

were references to the new headings and/or the new document, as the case requires.

(3) If:

(a) the Australian Statistician published the amount (the *later amount*) referred to in subsection (1) for a month of August; and

(b) the later amount is published in substitution for such an amount for that month that was previously published by the Australian Statistician or that was applicable because of subsection (7);

the publication of the later amount is to be disregarded for the purposes of this Act.

Determination of amount by Minister

(4) If the Australian Statistician has not published the amount referred to in subsection (1) for a month of August before the end of the first 31 March after that month of August, the Minister may, by legislative instrument, determine an amount for that month of August.

(5) In determining an amount for a month of August under subsection (4), the Minister must make a genuine attempt to determine the amount accurately, taking into account all relevant evidence available to the Minister.

(6) If the Minister determines an amount for a month of August under subsection (4), the Minister must, as soon as practicable, cause to be published, on the Department's website, a statement of reasons explaining the basis on which the Minister determined the amount.

(7) If the Minister determines an amount for a month of August under subsection (4), the amount referred to in subsection (1) for that month is taken to be the amount determined in the instrument under subsection (4) for that month.

Note: The median wage for the first income year to start after that month of August will be 52 times the amount that is taken to be the amount referred to in subsection (1) for the month.

2 Section 154-20 (table)

Repeal the table, substitute:

Applicable percentages		
Item	If the person's repayment income is:	The percentage applicable is:
1	\$3,000 or less above the *median wage	1%
2	More than \$3,000, but less than or equal to \$6,000, above the *median wage.	2%
3	More than \$6,000, but less than or equal to \$9,000, above the *median wage.	2.5%
4	More than \$9,000, but less than or equal to \$13,000, above the *median wage.	3%
5	More than \$13,000, but less than or equal to \$17,000, above the *median wage.	3.5%
6	More than \$17,000, but less than or equal to \$21,000, above the *median wage.	4%
7	More than \$21,000, but less than or equal to \$26,000, above the *median wage.	4.5%
8	More than \$26,000, but less than or equal to \$31,000, above the *median wage.	5%
9	More than \$31,000, but less than or equal to \$36,000, above the *median wage.	5.5%
10	More than \$36,000, but less than or equal to \$43,000, above the *median wage.	6%
11	More than \$43,000, but less than or equal to \$49,000, above the *median wage.	6.5%
12	More than \$49,000, but less than or equal to \$54,000, above the *median wage.	7%
13	More than \$54,000, but less than or equal to \$62,000, above the *median wage.	7.5%
14	More than \$62,000, but less than or equal to \$70,000, above the *median wage.	8%
15	More than \$70,000 above the *median wage.	10%

3 Section 154-25

Repeal the section.

4 Paragraph 154-30(b)

Repeal the paragraph, substitute:

(b) the amounts referred to in the second column of items 1 to 15 in the table in section 154-20;

5 Subclause 1(1) of Schedule 1

Insert:

median wage has the meaning given by subsection 154-11(1).

Social Security Act 1991

6 Subsection 19AB(2) (definition of *minimum repayment income*)

Repeal the definition, substitute:

minimum repayment income has the same meaning as in the *Higher Education Support Act 2003*.

7 Section 1061ZZFB

Repeal the section.

Student Assistance Act 1973**8 Subsection 3(1) (definition of *minimum repayment income*)**

Repeal the definition, substitute:

minimum repayment income has the same meaning as in the *Higher Education Support Act 2003*.

9 Section 12ZLA

Repeal the section.

10 Application of amendments

The amendments made by this Schedule apply in relation to the 2024-25 income year and later income years.

Amendment (1) will abolish indexation on student debt. This is a debate that we've been having for some time, and I know that many senators in this chamber are concerned about this. I know that Senator Henderson has expressed a lot of concern about the rising indexation and how it is impacting students. So I hope that, by splitting this amendment, it will give an opportunity for senators to actually vote for one or the other or both. I don't think I need to make another case here for why this is being done because I've spoken about it almost every single day for the last six months and already have a bill in the Senate, so that's it from me.

Senator CHISHOLM (Queensland—Assistant Minister for Education, Assistant Minister for Regional Development and Deputy Manager of Government Business in the Senate) (19:43): Thanks, Senator Faruqi, for that contribution. These amendments will be opposed by the government. The government is examining the Universities Accord, which I'm reluctant to mention after our Senate estimates process. But I will do it once again and hope that you'll forgive me. It's important to understand, as I mentioned before, how HECS-HELP works. It is not like a home loan or a personal loan, where, if the interest goes up, your payments go up. It's built on a really important principle that you pay what you can afford, and you don't pay more unless you earn more. To remove or freeze indexation on loans or not apply it to a future loan means shifting that financial burden onto taxpayers. So the government will be opposing these amendments.

Senator HENDERSON (Victoria) (19:44): I just rise to confirm that the coalition is not supporting these amendments. Since the introduction of the Higher Education Contribution Scheme in 1989 by the Hawke Labor government and later its replacement, the Higher Education Loan Program, it has enjoyed, by and large, major bipartisan support. This is a scheme that has worked well to support students to take on a university course and not have to find the funding for that course upfront. It has generally been a very successful scheme, but we have seen deep concerns arise by reason of escalating student debt, with an indexation of 7.1 per cent.

I remind senators here that, over the last decade, principally under the coalition government, the average indexation rate was just two per cent. Over three years, under this government, we are looking at a total indexation of 15 per cent. So the best thing, frankly, that we can do is see the return of a Liberal-National government which knows how to run the economy, which prioritises lower inflation, which reins in spending and which runs the economy responsibly. It's no accident that we saw very, very low indexation under our government. Students and young Australians—in fact, more than three million Australians—who have been hit with an average increase in their student debt of \$1,700 a year have every right to question the government's competence in relation to this scheme. We hope and trust that under a future Liberal-National government the scheme will return to the great success that it was with moderate indexation, allowing students to do the courses of their choice, to follow their dreams to go to university, to take on a HELP loan, whether it be HECS or some other loan, and to do so in a way which is a fair and equitable. Be that as it may, this is a bridge too far, and the opposition won't be supporting these amendments.

The TEMPORARY CHAIR (Senator Sterle): The question before the chair is that the Greens motions 1 and 2 on sheet 1931 revised, moved by leave together, shall be agreed to. A division having been called, it will be dealt with tomorrow.

Progress reported.

Ordered that the committee have leave to sit again on the next day of sitting.

Infrastructure Australia Amendment (Independent Review) Bill 2023**Second Reading**

Consideration resumed of the motion:

That this bill be now read a second time.

Senator McDONALD (Queensland) (19:50): On behalf of the coalition, I rise to speak on the Infrastructure Australia Amendment (Independent Review) Bill 2023. The purpose of this bill is to amend the Infrastructure Australia Act 2008 to give partial effect to the government's response to the independent review of Infrastructure