

FOREWORD

Australia's higher education system is premised on fairness and a fair go for anyone seeking to influence and improve their life trajectory through education. For many years, Australia's quality higher education sector and unique system of student loans has ensured that everyone has access to quality education and that no one, irrespective of background, should have to pay for that education upfront, before they can realistically afford to.

As a result, participation in higher education has increased dramatically. What was once the domain of the privileged few is today an expectation for many. Increased participation in higher education has brought great rewards, but also considerable cost. In 2014:

- subsidising degrees cost more than \$6 billion; and
- providing income support for higher education students cost more than \$2 billion.¹

Clearly nobody questions the value of education: the benefits for individuals, communities and the economy are innumerable. But, unfortunately, somebody has to pay. With a growing population and increasing numbers of people pursuing higher education, the status quo has become unsustainable. The government does not have a bottomless purse to draw on; this is unlikely to ease in the near future.

The world will not wait for us though. Education providers must continue to evolve, innovate and adapt to the cutthroat realities of the international market. If we are to produce first class degrees, we must have first class institutions which can deliver our students the finest possible education and attract discerning students from overseas. This will not happen by magic, which political opponents of the government's reform package appear to be pinning their hopes on.

The bill before the committee is the result of extensive consultation by the government. It follows this committee's report on an earlier iteration of the bill, which thoroughly examined stakeholder views on the reform package originally presented during the 2014–15 Budget and made recommendations accordingly.

As noted by the committee, stakeholders advocated strongly against changing indexation arrangements for student loans, and the government listened. Student debt will continue to be indexed by the Consumer Price Index.

Important safeguards have been introduced to ensure that primary carers of small children are protected until their incomes are adequate, and a dedicated scholarship fund will be created specifically for universities with a high proportion of low socioeconomic status students.

1 Department of Education and Training, *Submission 49*, p. 5.

Additionally, steps have been taken to ensure that domestic student fees remain lower than international student fees, and a structural adjustment fund is proposed to assist universities, including those in regional areas.

These were all suggestions this committee discussed with stakeholders. The bill before us now is evidence that the government listened.

Reflecting feedback from universities, the bill retains core measures of the government's higher education reform package, such as fee deregulation, which will allow universities to design sustainable business models. The disinformation campaign waged against these reforms has sought to instil fear and manipulate public discourse with slogans such as "\$100 000" degrees". These projections are unfounded, unhelpful to the debate, and entirely unsupported by evidence. It is in universities' interest to attract students, therefore it will not be in their interest to, as the scaremongering campaign of disinformation has maintained, introduce obscenely high course costs.

We are a clever and capable country, and this government wants to keep it that way. Tough economic conditions are not the time to take the focus off education—future prosperity demands that we look forward and plan ahead.

Anything less would be selling Australia short.