

# CHAPTER 1

## Background

### Reference

1.1 On 3 December 2014 the Hon. Christopher Pyne MP introduced the Higher Education and Research Reform Bill 2014 (the bill) in the House of Representatives.<sup>1</sup> On 12 February 2015 the Senate referred the provisions of the bill to the Senate Education and Employment Committee (the committee) for inquiry and report by 17 March 2015.<sup>2</sup>

### Conduct of the inquiry

1.2 Details of the inquiry were made available on the committee's website. The committee also contacted a number of organisations inviting submissions to the inquiry. Submissions were received from 58 individuals and organisations, as detailed in Appendix 1.

1.3 A public hearing was held in Canberra on 6 March 2015. The witness list for the hearing is detailed in Appendix 2.

### Background

1.4 The bill follows the Higher Education and Research Reform Amendment Bill 2014 (the former bill). The committee inquired into the former bill and tabled its report on 28 October 2014.<sup>3</sup> Submissions were received from 164 individuals and organisations, as detailed in Appendix 3.

1.5 On 3 December 2014 the former bill was defeated in the Senate.<sup>4</sup>

### Overview of the bill

1.6 The government is committed to implementing reforms to the higher education and research sector.<sup>5</sup> Following the defeat of the former bill, the government consulted widely and fine-tuned the proposed reforms. The bill therefore preserves the core elements of the government's higher education reforms, but includes important updates. Key changes include:

- The Government no longer seeks to amend the rate at which outstanding HELP debt is indexed. Annual indexation of HELP debt by the Consumer Price Index (CPI) will be retained.

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1 *Votes and Proceedings*, No. 90, 3 December 2014, p. 1044.

2 *Journals of the Senate*, No.78, 12 February 2015, p. 2156.

3 Senate Education and Employment Legislation Committee, *Higher Education and Research Reform Amendment Bill 2014*, October 2014.

4 *Journals of the Senate*, No. 72, 2 December 2014, pp 1948–9.

5 The Hon Christopher Pyne MP, *second reading speech*, House of Representatives, 3 December 2014.

- Indexation of outstanding HELP debt will be paused for primary carers of a child aged under five years while they are earning under the minimum repayment threshold.
- The bill guarantees that fees charged to Commonwealth supported students will not exceed those charged to international students, less the relevant Commonwealth subsidy for the same or a comparable unit of study.
- A new dedicated scholarship fund will be created within the Higher Education Participation Programme (HEPP) for universities with high proportions of low socio-economic status (SES) students – in addition to and complementing the Commonwealth Scholarship Scheme announced at the Budget.
- The bill creates a Structural Adjustment Fund of \$100 million over three years to assist universities to transition to a more competitive market, including those in regional areas.<sup>6</sup>

1.7 Along with the proposed legislative changes, the government will issue guidelines to ensure that the new Commonwealth Scholarship Scheme focuses assistance on students from regional, remote and low socio-economic backgrounds.<sup>7</sup>

### **Human rights implications**

1.8 The government has assessed the bill's compatibility with human rights under relevant international instruments, and considers the bill to be compatible.<sup>8</sup>

### **Financial impact statement**

1.9 The explanatory memorandum submits that the proposed reforms would contribute savings estimated at \$451 million in fiscal balance terms over the forward estimates, that is, from 2013-14 to 2017-18.<sup>9</sup> The majority of the proposed measures will not take effect until 2016 and will therefore not have an immediate financial impact.<sup>10</sup>

### **Acknowledgement**

1.10 The committee thanks those individuals and organisations who contributed to the inquiry by preparing written submissions and giving evidence at the hearing.

### **Notes on References**

1.11 References in this report to the *Hansard* for the public hearing are to the *Proof Hansard*. Please note that page number may vary between the *Proof Hansard* and the official transcripts.

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6 Department of Education and Training, *Submission 49*, p. 4.

7 Department of Education and Training, *Submission 49*, p. 4.

8 Explanatory Memorandum, Higher Education and Research Reform Bill 2014, pp 8–15.

9 Explanatory Memorandum, Higher Education and Research Reform Bill 2014, p. 5.

10 Explanatory Memorandum, Higher Education and Research Reform Bill 2014, p. 5.