

HIGHER EDUCATION LEGISLATION AMENDMENT (2007 BUDGET MEASURES) BILL 2007

Second Reading

[Mr TANNER](#) (Melbourne) (12.45 p.m.)—The legislation before the parliament today, the [Higher Education Legislation Amendment \(2007 Budget Measures\) Bill 2007](#), relates to the implementation of the government's various budget initiatives in higher education, which were promoted by the government as the primary message arising from the budget—along with the tax cuts—and which constitute a belated attempt on the part of the government to get back in the education game after a very long period of neglect and indeed disdain or contempt for not only investment in education but also the values that underpin the notion of learning. I will deal with the various aspects of the government's new position in turn and then give some views about what the changes actually entail and what the government's true position on these issues actually is.

Notwithstanding all of the hoopla about the higher education initiatives in the budget, it is notable that, in spite of everything, the government still could not help itself: it still threw in yet another impost on students. It imposed another burden on students who are already groaning under the costs of trying to make ends meet—trying to ensure that they can both study and have a basic living—and worrying about the debt that most of them carry into their working lives as a result of the huge increase in HECS over the period of time that the Howard government has been in office.

Things have changed a great deal since I was a student in the latter part of the seventies and early eighties. I, along with a number of others in this House, was fortunate to study at Melbourne University in a period where there were no fees. I lived a pretty basic lifestyle—as many students then did and do now—but at least I had the knowledge that I did not have to incur a huge debt with respect to tuition fees, as most students do now through HECS. It is also worth noting that a whole lot of changes have occurred in our society since that time which have made it harder for students to get by while they are studying. It has now become very widespread for students to have to have substantial outside employment while also receiving the very limited amounts of student assistance that a proportion of students qualify for. That in turn is being undermined by Work Choices, because much of that employment is in industries like retail and hospitality, which in the last year or so have seen wages fall behind inflation because of the impact of Work Choices on people who are in economically less powerful occupations. Students have to juggle the commitments that they have with respect to earning a living and being able to pay the rent and feed and clothe themselves with the need to attend lectures and to undertake all of the activities that are necessary in order to study for a degree in whatever the discipline might be. At the same time, the incentive to do this is being slowly eroded by the Howard government imposing more and more of a burden on students in the form of a HECS debt.

It is true to say that HECS was invented by a Labor government. It was invented in order to help finance a massive expansion in higher education—which it did. It was originally set at about \$2,500 per year across the board for all degrees but, since the Howard government have been in office, it has been changed to a differentiated table of classes of HECS and it is now up to about \$7,000 or \$8,000 per year for some categories of student. In this budget, the government added to the top level students studying business, accounting and commerce. So even though this budget was portrayed as the Howard government's big move in higher education and their big attempt to get back into

the university game after years of neglect, years of underfunding and years of interference, they still could not help themselves—imposing yet another burden on students and further undermining the incentive for young people to get a degree and to develop the skills and higher learning that are so important to the future contribution that they will be able to make to Australia's economy.

The second thing that the budget entailed with regard to higher education was, of course, the removal of the cap on the capacity of universities to offer full-fee places to students. There is a very simplistic argument that is put forward in favour of this, which is that, as universities are able to in effect sell places at market value or quasi market value to foreign students, they should be able to do the same thing with respect to Australian students. The obvious fallacy in this argument is, of course, that Australian students—or, more particularly, their families—have already paid for a substantial proportion of the cost of their university education through taxes, which foreign students, by and large, have not done. The underlying rationale for this is to slowly marketise the higher education system and to change the core indicator of access from one of merit, equity and capacity to one of money.

There is a simple underlying factor here that cannot be avoided. The rationale is very straightforward for the Howard government's introduction of full-fee places and its more recent removal of the cap, and that is to change our higher education system from one where access has been determined according to merit and ability to one where access is determined according to how much money you have got. There is already substantial evidence in a number of institutions where students are getting into courses courtesy of being able to pay the full fees with HSC scores significantly lower than competing students who are not able to pay those fees. Removing the cap will accelerate the process of the shift in the underlying dynamic in higher education in this country, where money will gradually become everything, where those who lack the financial resources to pay full fees will bit by bit be squeezed out and where the ratio between full-fee places and HECS places will gradually shift even further.

The third element of the government's higher education budget was, of course, the Higher Education Endowment Fund. The Treasurer trumpeted that this was possibly the greatest achievement in the history of the human race in the area of education—although I am perhaps not doing justice to the floridness of his rhetoric. He was certainly very keen to demonstrate that he had managed to produce this extraordinary achievement of earth-shattering significance. Labor support the Higher Education Endowment Fund, but we do so with a couple of observations. One is that there is a great deal less to this proposal than meets the eye. It is a modest but useful contribution to the cause of higher education in this country. To put it in perspective, with its current endowment of \$5 billion the fund will deliver approximately \$300 million per annum of additional funding to the higher education sector in this country, which works out to be about \$8 million per year per institution. That is helpful but hardly an education revolution. It is worth adding to this observation that this is on the assumption that there is no displacement effect—that the \$300 million per year will genuinely be additional to government funding and that it will not, in effect, be eroded indirectly by gradual reduction of direct government funding. That, of course, is yet to be seen. Given the track record of the Howard government in higher education, you will not be surprised to hear, Madam Deputy Speaker Corcoran, that, in my view, if the Howard government is re-elected, over time that effective net contribution will be eroded.

It is also worth raising the question of the future decision making associated with the allocation of these moneys, which is still unclear. The concern that I have, and I am sure many others have, is that the government will set up a funding process which will gradually shift the choices about how this public money is allocated into private or unaccountable hands. There is a core question here, with respect to the distribution of the dollars that will be earned by the Higher Education Endowment Fund, as to precisely what degree of accountability will prevail regarding the distribution of those funds—regarding the decisions, the choices, which institutions will get what amounts of money and what those moneys will be used for. I cannot resist the temptation to comment on the astonishing hypocrisy of the government in putting forward this proposal within weeks of savagely criticising Labor for proposing to use \$2.7 billion worth of Telstra shares currently held in the Future Fund to finance the creation of a national broadband network—something which, amongst other things, is important for the advancement of higher education in this country.

We all remember the Treasurer going red in the face, frothing at the mouth, screaming, ranting and doing double backflips at the dispatch box when talking about Labor's proposal. In his terms, this was vandalism, piracy, robbery and all of the other nouns that he frothed out at the time. Within weeks of that florid performance, the Treasurer has in effect done the same thing by denying the Future Fund \$5 billion from the 2006-07 surplus that was otherwise promised, by him and by the finance minister, to the Future Fund to set up a separate fund for a different purpose. He has done exactly what Labor was proposing to do, and continues to propose to do, but with almost double the money. We do not quibble with the purpose, but this confirms our assessment, made several months ago, that the Future Fund was going to hit its 2020 full funding of public sector superannuation liabilities well ahead of target and that it could easily afford the small contribution to be invested in a national broadband network. Our assessment of that has been dramatically confirmed by this decision of the government.

Finally, there is an aspect of the government's position regarding higher education which was announced around the time of the budget but was not dealt with specifically during the budget process. That is, of course, its intention to seek to remove the regulatory responsibilities that the state governments currently have regarding higher education. Most universities are, in some form or other, creatures of state acts of parliament, governed by state legislation and regulated by the states. Of course, under Sir Robert Menzies they became fully federally funded, and so the states have no direct major financial role with respect to universities, but they still have a substantial regulatory role. It is interesting and, I think, highly significant in the context of other initiatives that have been pursued in the budget by the government that this initiative would be pursued at that time. No doubt we will return to that in due course. It is an indication of where things are heading in higher education under the Howard government, and there are two parallel tracks. They are essentially these: reducing funding and increasing interference. Basically what the Howard government is doing is steadily increasing its power with respect to how higher education functions in our society at the same time as its proportional funding is steadily reducing. For example, I understand that Melbourne University—my old university—has only about 15 per cent of its income from the Commonwealth. That is probably at the low end of all universities, but certainly it is an indication of where things are heading.

So there is no question about where things are going on the funding side but, on the interference side, we have seen over time the overturning of Australian

Research Council decisions, interference on the question of industrial relations, attempts to impose AWAs on higher education institutions, the abolition of compulsory student unionism, the imposition of a whole range of voluntary student unionism rules on universities—irrespective of their own views—and, of course, the current education minister demanding of the states that they make financial contributions to the university sector.

Within months we have seen the Howard government say to the state governments: 'We want you to start giving money to universities, to contribute financially to universities'—when it was a federal Liberal government that established virtually universal federal funding for universities many years ago, and governments of both persuasions have maintained it since that time. We have seen the Minister for Education, Science and Training demand that the states contribute financially and, within months of that, she is now demanding that they hand over their regulatory powers to the Commonwealth. There is a clear pattern here of the Howard government seeking to assert more control and spend less money. Others have to pay; students have to pay, the private sector has to contribute more, full fee-paying students have to contribute more, now the states have to contribute more, but at the same time as the Howard government is seeking to withdraw its responsibility on the financial front. It is seeking to interfere at an ever-increasing and ever-escalating level in what universities do and how they are governed.

That is not coincidental, because there is a deep antipathy to learning in the Howard government, and it runs right across the entire spectrum. There is a deep antipathy to learning, particularly to university learning, in the Howard government. The Prime Minister has made an art form of pandering to anti-learning prejudice in the Australian community. The former Minister for Education, Science and Training, now the Minister for Defence, followed in his footsteps, as you would expect. We all remember his hokey little stories about the mythical woman that he used to bump into outside universities in various parts of the country who would tell him about how it was her taxes that were paying the costs of the students studying in those universities and how she had never been to a university and wasn't it all so important that those taxes be well spent. And we remember his dog-whistling messages that basically said, 'We all know the kind of rubbish that goes on in universities and that good, honest citizens who left school in form 3, who are paying the taxes to maintain universities, ought to be outraged.' We have all seen and heard those messages, and the tragedy is that they undermine the wider commitment to learning in our community, not just with respect to the universities but with respect to all learning, whether it is kids staying at school or young people going to TAFE, doing apprenticeships or going to university. The messages that have been coming out from the Howard government on learning have essentially been a negative set of messages, all designed to pander, for political reasons, to underlying prejudice in sections of the Australian community.

I remind the House that in 1989, after the Prime Minister lost the leadership of the Liberal Party, his successor, Andrew Peacock, offered him the shadow ministry for education and he declined it, on the grounds that it was not important enough. He declined that shadow ministry because, in his view, education was not a significantly important portfolio at the national level for somebody such as himself. In recent years he has made statements indicating that he has no problems with young people leaving school early—that is fine. We have heard his former education minister, without any quibble from him, indicate that he believes that creationism should be taught in schools. We have heard the current Minister for Education, Science and Training indicate that, in her view,

Maoists are in charge of school curriculums. When the member for Fraser stood up at the dispatch box to ask a question in the House recently, the Prime Minister leaned over the dispatch box and called out—quite tellingly, I thought—‘Here’s the professor!’ It is an interesting indication of the Prime Minister’s attitudes that he regards the term ‘professor’ as a term of denigration, a term of abuse. It illustrates the point that I am making, which is that deep in the DNA of the Howard government is an antagonism to learning, an antagonism to universities and a disdain for the whole concept of people acquiring more knowledge, more judgement and more wisdom and being able to contribute better to society.

This mentality has deep roots in conservatism. It ultimately goes back to the not so good old days of serfs and toffs, when the lower classes were expected to know their place—they had a particular contribution to make in our community, but bettering themselves through learning, acquiring more knowledge and more skills to be able to improve their contribution to society very definitely was not part of it. It is nothing particularly unusual on the conservative side of politics, but I should add in all fairness that it would be wrong to say that this is necessarily always typical of conservative politics. I would be the first to acknowledge that in terms of advancing the cause of learning in this country over the 100 or so years that we have existed as a nation, there are two politicians who stand out for many as people who have made the strongest contribution, and they are Sir Robert Menzies and Gough Whitlam. These two people, one from the conservative side of politics and one from Labor, have, in different ways, contributed most to elevating Australia’s universities and our commitment to learning as a nation. There have been plenty of occasions when conservative governments and politicians have had a serious and genuine commitment to learning. Sadly, the last 11 years of history in modern Australia have not been one of those occasions.

Finally I observe that now, more than ever, it is crucial for Australia to be committed to learning, because of the obvious fact that structural changes in our economy are shifting the balance between low-skilled or unskilled labour on the one hand and skilled labour on the other, and more and more we need people with skills to ensure that we remain a First World nation, a nation with high living standards, able to exploit the opportunities that we have been fortunate enough to enjoy. It is crucial that we maintain and enhance our commitment to learning. I do not have the confidence that the government will be able to do that, because I do not think they believe in it. They are anti learning. They undermine learning. They send out political messages, for their own short-term political ends, that are designed to denigrate learning. *(Time expired)*