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IRU STATEMENT 14/2014

IRU urges Government to agree the higher education package Mark three with Senators

The IRU calls on the Government to work with Senators on its higher education reform package to agree the changes needed to meet university needs and satisfy Senators' concerns.

The revised *Higher Education and Research Reform bill* Mark Two, tabled in the House of Representatives makes some of the changes required. However important issues remain to be addressed. For IRU to urge Senators to pass the Bill we need Mark Three.

"The IRU thanks the cross bench Senators for their willingness to consider the issues with the reforms and argue for improvements. We look forward to continuing to assist them understand the revised Bill and its consequences" said Conor King, IRU Executive Director.

The Government's reforms to higher education combine open access to higher education with allowing universities access to the resources they need to provide the high quality university education that students require and the public expects.

There were and are problems with the design.

Retention of the CPI to index Higher Education Loan Program (HELP) debts removes a major problem with the first package. It ensures that the amount students commit to pay is the amount which they will pay over time as their earnings justify payment. It avoids the spectre of rapidly increasing debts where indexation exceeds payments.

The introduction of a five year indexation pause on HELP for new parents will further assist graduates with young families, whose debt otherwise grows despite temporary limited capacity for earnings.

"The size of the reduction in Government investment remains the key problem to be resolved. The cut to funding per student of 20% must be reduced so that the flexibilities from deregulated fees are used to improve higher education delivery not offset Government funding reductions" Mr King said.

In addition:

- there needs to be support for universities to make the transition to a market based system through a structural adjustment fund for universities committed to raising higher education attainment in outer metropolitan and rural regions. The Government has committed \$100 million to date. \$500 million is required;
- we need to pool the Commonwealth Scholarships Scheme so students choose their university based on their educational preferences;
- funding for the research students should not be reduced, given the Research Training Scheme has not been increased since 2001.

The IRU urges Government and Senators to reach agreement on these essential changes. Universities, students and their families need certainty about funding and charges from 2016. **END**

For comment contact

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