

## Higher Education Support Amendment Bill (No. 2) 2011

- 2.1 The Higher Education Support Amendment Bill (No. 2) 2011 (HESA Bill) was referred by the House of Representatives Selection Committee on 22 September 2011 and is addressed in this Chapter.
- 2.2 The Committee has assessed the integrity of the amendments in achieving the policy aims set out by the Government and in the Explanatory Memoranda and finds that they are an adequate mechanism for meeting these aims.
- 2.3 The HESA Bill is the second in a suite of reforms to allow demand-driven Commonwealth-funded tertiary education. The first bill lifting the restrictions on Commonwealth-funded university places was passed by the Parliament in September 2011.<sup>1</sup>

### Outline of the bill

- 2.4 The HESA Bill amends the *Higher Education Support Act 2003* to:
- increase the maximum payments for the Commonwealth Grant Scheme in 2011 and increase maximum payments for other grants and Commonwealth scholarships for 2012-14 to account for indexation and include the 2015 calendar year;

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<sup>1</sup> Australian Government *Fact sheet: demand driven funding for undergraduate student places*. <[deewr.gov.au/HigherEducation/Resources/Pages/FundingUndergradStudent.aspx#students](http://deewr.gov.au/HigherEducation/Resources/Pages/FundingUndergradStudent.aspx#students)> accessed 29 September 2011

- reduce the HECS-HELP up-front discount from 20 percent to 10 percent;
  - reduces the HELP voluntary repayment bonus from 10 percent to 5 percent; and
  - clarifies that Australian citizens are not entitled to Commonwealth support, HECS-HELP, FEE-HELP and VET FEE-HELP when undertaking a course of study primarily at an overseas campus.
- 2.5 Of the 19 submissions received to the inquiry into bills referred on 22 September 2011 from education providers or their peak bodies, only two mentioned the HESA Bill.
- 2.6 Innovative Research Universities supported the Bill.<sup>2</sup>
- 2.7 Universities Australia noted:
- a possible inconsistency between the proposed changes and the broad objective of encouraging Australian students to gain overseas study experience.<sup>3</sup>
- 2.8 The Department of Education, Employment and Workplace Relations clarified that:
- We are dealing only with people who are primarily undertaking their course at an overseas campus. People have asked us about the definition of 'primarily'. It is simply the Macquarie Dictionary definition meaning the majority of their course overseas.<sup>4</sup>
- 2.9 In addition:
- We are aware of some people who are basically completely studying overseas who are in Commonwealth supported places. There are some who are accessing HELP loans. The bill contains provisions to make sure that those Australian citizens are not disadvantaged because they have been advised that they are eligible, so they are able to complete their courses but we are trying to make it very clear that those situations are not to arise in future...
- One of the things that motivated us to act is that up until the end of 2011 we were operating in a capped environment where there were only a limited number of Commonwealth supported places.
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2 Innovative Research Universities, *Submission no. 10*, p. 1.

3 Universities Australia, *Submission no. 9*, p. 1.

4 DEEWR, *Transcript of Evidence*, Canberra, 21 October 2011, p. 1.

That minimised the Commonwealth's exposure. Now that we are going to a demand driven system, there is a much greater potential for the Commonwealth to be exposed to financial risk, and we believed it was appropriate to clarify the matter.<sup>5</sup>

- 2.10 The Committee concludes that the Higher Education Support Amendment Bill (No. 2) 2011 is an appropriate proposal to implement the proposed policy changes to Commonwealth funding of university places.

### **Recommendation 6**

**The Committee recommends that the House pass the Higher Education Support Amendment Bill (No. 2) 2011.**

**Amanda Rishworth MP**  
**Chair**

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5 DEEWR, *Transcript of Evidence*, Canberra, 21 October 2011, p. 2.