



PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP
OPENING OF VICTORIA UNIVERSITY OF TECHNOLOGY
SUNBURY CAMPUS, VICTORIA, 12 MAY 1995**

****CHECK AGAINST DELIVERY****

I'm very pleased to be invited to open the Sunbury Campus of the Victorian University of Technology. It's a beautiful campus, and a fine example of the emerging integration of post-compulsory education.

The Sunbury Campus is proof of the potential which exists when the two essential elements of tertiary education, TAFE and universities, are linked.

It is a natural development stemming from the reforms to post-compulsory education initiated by John Dawkins in 1988.

New institutions like Sunbury been made possible by the increased revenue flowing into higher education from the establishment of the fairest and most innovative financing mechanism in the world, the Higher Education Contribution Scheme.

Since the education reforms in 1988, Australian post-compulsory education has undergone extraordinary changes and expansion.

The previous separation of TAFE and higher education, which restricted the access of the less advantaged to many forms of skills development, is now being broken down. It is becoming recognised that the distinctions between vocational and academic education are essentially arbitrary and a reflection of history and inertia.

TAFE is no longer seen as the poor and distant cousin of the university system, and propitious arrangements for credit transfer which no-one foresaw are now emerging. And it is not only here: two months ago I visited the University of Southern Queensland which has developed close and imaginative links with NSW TAFE.

Sunbury is going in exactly the right direction. We want a more complementary and united formal skills development program - and that is what Sunbury is doing.

The students who derive the advantages of Sunbury's innovative educational reforms can, in important ways, trace their good fortune to HECS.

HECS was introduced in 1989 to a cacophony of student complaints. We were told that: free education is a right; HECS will restrict the access of the poor to higher education; higher education helps all society and thus should be fully paid for by the Government; and that women will be discouraged from enrolling.

I want to spend a minute or two addressing some of these issues.

There is no such thing, of course, as "free" education - somebody has to pay. In systems with no charges those somebodies are all taxpayers.

This is a pretty important point: a "free" higher education system is one paid for by the taxes of all, the majority of whom haven't had the privilege of a university education. Ask yourself if you think that is a fair thing.

The most common complaint was that if we asked students to pay for some part of their higher education, the poor would be deterred - even if they didn't have to pay until they were earning at least the average income. This most common argument was in fact the hardest to believe, simply because HECS was designed to insure that students paid nothing when they couldn't afford to.

Nevertheless, the Government has kept an eye on the disadvantaged. And there have been several independent studies of this issue.

The evidence that HECS deters the disadvantaged is a bit like a policy statement from my opponents: the more you look, the less you see.

The most recent study, published in the *Current Affairs Bulletin* in January 1995, puts it this way: "...the introduction of HECS does not seem to have had any discernible effects on the composition of the student body".

But a major effect of HECS has been to allow the system to grow at an extraordinary rate since 1989, and this has unquestionably helped the disadvantaged by creating more places. From 1988 to 1993, for example, the number of higher education students from the poorest of backgrounds has grown by around 30 per cent.

Higher education generally has expanded at a similar pace, with one of the major reasons being that all of the HECS revenue has been used for this purpose - for higher education, as the Government promised. The increase in total outlays on higher education of about \$3 billion since 1990 has been underwritten to the tune of about \$1.5 billion from HECS repayments.

This means that 50 per cent of the new places are here because of HECS revenue; that up to 100,000 of today's students more than likely would have been doing something else - probably something far less interesting and beneficial.

The capital provided for the Sunbury initiative has come from the Commonwealth through ANTA, the State Government, and the university. As well, the Victoria Institute of Technology will receive \$15.9m from the Commonwealth as part of the incorporation of higher education capital funding into institutions' operating grants over the 1995-97 triennium.

Without HECS, and the support from both ANTA and the Victorian Government, then, it is much less likely that we would be able to open the Sunbury Campus today. And is undoubtedly true that, without HECS, there would be far fewer students in general, and far fewer disadvantaged students in particular.

But is it fair to charge at all when society derives considerable benefits from tertiary education - shouldn't this mean a subsidy? Certainly, education and training beget technological change, and technological change is the only way in the longer term for our collective incomes to grow.

Moreover, education and training are a fundamental part of governments' armoury for breaking the nexus between parental poverty and childrens' access to material and social gain through skills formation.

For these reasons the HECS charge is only about 23 per cent of the costs of a place, and not 100 per cent. For these reasons TAFE costs are overwhelmingly met by governments.

Finally, female enrolments have grown relatively quickly since 1988. Women now outnumber men in our universities - HECS hasn't hurt here either.

The case for HECS is overwhelming. Not charging means allocating scarce resources provided by all to students who generally come from advantaged backgrounds and who inevitably get the best and most highly paid jobs. But charging only when former students are doing well financially ensures there are no barriers.

Now I have to come clean and tell you that HECS does have a problem: the Coalition is not committed to it.

In the last election the Coalition's higher education policy was to allow universities to charge up-front fees. Sure, they said, they would keep HECS places as they were and just allow this as a top-up.

But, as sure as night follows day, HECS would have been eroded. Don't forget, the Opposition is completely committed to drastic cuts in public expenditure. In time, higher education would have become a very easy target, and up-front fees the norm.

HECS is spreading throughout the world as the right way to charge for university attendance (and variants of it have now been introduced in the US, New Zealand, the Czech Republic, and it is recommended by the World Bank for developing countries). HECS covers the vast majority of post-graduate Australian courses, and an extension to cover even more has recently been offered as a possibility by the Stanley Committee Review in the event that fees in this area - which only apply to 15 per cent of students - present access problems in the future.

Sadly, the Opposition can't see the beauty of our financing arrangements.

For the next election, then, write this down: the Government guarantees HECS, the Opposition doesn't. The Government will not compromise access to post-compulsory education, the Opposition will. The Government is repulsed by the notion of full up-front fees for undergraduates, the Opposition embraces them.

It is one of the more bemusing refrains of contemporary Australian politics, to hear the Opposition talk about microeconomic reform as a means to greater productivity and a more internationally competitive economy, while refusing to commit themselves to equality of opportunity in a sophisticated education and training system.

As if clearing the way for the development of all our human resources and the fullest expression of all our human potential is not a microeconomic reform of the most fundamental kind.

Nothing is so basic a prerequisite of our economic future and the future well-being of Australian society.

It is an integral part of our economic and social policy, our national strategy and vision, to establish an innovative and integrated formal skills system in Australia. ANTA and higher education funding, with State government support, together committed to the expansion of opportunities.

Education and training are the fundamental building blocks for our future prosperity.

Education and training are the answers to sustained and healthy productivity growth.

Education and training are the key to the break-down of entrenched inter-generational poverty.

As I have said before, for both the individual and the nation, education and training constitute the bridge between the past and the future.

In last Tuesday's Budget the Government set out a revolutionary long-term retirement plan for the nation. It will guarantee that the incomes of future senior citizens will be higher and more secure.

The Budget means that there will be considerably greater domestic savings available to finance our investments. This helps to provide insurance against adverse international financial fluctuations.

Australia's revolutionary new means to greater - vastly greater - national savings is of a kind with the reform, expansion and equitable financing of post-compulsory education. Both help to set the country up for the 21st century - both are major investments in our future.

Both represent progressive and imaginative policy: both are motivated by national need, designed to develop the economic fundamentals, and delivered in ways that improve the social and material circumstances of those with the least advantages.

Both, I might say, are Labor to the bootstraps.

The Sunbury Campus is an institutional manifestation of Labor's commitment to educational, social and economic reform. It encapsulates the big idea.

And so it is with great pleasure that I formally open it. It is a great pleasure because I know that this campus will well serve this community and thousands of tertiary students from now on into the next century.

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