

Hon Sir ROGER DOUGLAS (ACT): As a member of the Education and Science Committee I too would like to join others who have congratulated and thanked Allan Peachey for the way he chaired the committee. It has been funny, from my perspective, to hear the lukewarm response to this bill from Green Party and Labour Party members and to hear them arguing generally that it is helping the wealthy more than the poor. Their argument has been that wealthy ex-students will be able to make higher levels of voluntary payments, and that therefore in some way this bill is discriminatory. The flaw in their argument is that they are comparing wealthy ex-students with so-called poor ex-students. The overwhelming majority of students improve the incomes they can get in life by undertaking tertiary education. In other words, poor ex-students are relatively wealthy by most standards.

The people we should be more concerned about are not the poor students, but the hard-working, low-income people who pay the taxes that cover the interest and loan write-offs of university students and tertiary students. The people we should care about, and whom the Labour Party and the Greens are supposed to care about, are the ones who do not go to university. They are the people who get a job when they are young. They are the people who are forced to pay for the education of those who will one day earn far more than they do.

Let us take a look at who undertakes tertiary education. Eighty percent of students come from households that earn more than the average wage. They are the families with money. They are the families with capital. They are the wealthy. A study undertaken in 2001 has shown that those in the top income bracket are five or six times more likely to go to university than the ones in the bottom income bracket. We send these rich kids, if we want to call them that, to university with lavish student loans and large subsidies paid for by low-income families. They then graduate and go into relatively well-paying jobs.

The Green members and Labour members wring their hands about the high level of student debt. Never mind that university students were wealthy when they went to university. Never mind that ex-students will pay off their loans quickly because of their higher incomes. Never mind that the people who pay for the lavish benefits are the hard-working poor who entered the labour force at 17 or 18 years of age, and missed out on a tertiary education. In fact, it is not just that this bill is in some ways unfair on people on low incomes. We would have to say that that is also true of a lot of tertiary education support.

But who do we take the money from? We take the money from the people who leave school at 17, and we deliver it generally to those with wealthy backgrounds. Policies like this one take money from the cleaners, the dishwashers, the bus drivers, and the people who work in McDonald's who receive the minimum wage and deliver it to the sons and daughters of the doctors from Fendalton or the sons and daughters of the lawyers and accountants of Karori. That is the reality.

These programmes, unfortunately, are sold as if they come from political parties that care about those on low incomes. The Greens and Labour tell people that the reason we must give these lavish benefits to the wealthy is so that those on low incomes have access to

university. Middle-class welfare is one thing. Middle-class welfare dressed up as wealth distribution to the poor is a fraud.

We have had the spectacle, in the Committee stage and in the second reading, of Labour members saying to students to not pay back their loans early because it would be to their disadvantage. In most cases I agree that it would, but it would be of benefit to the country. It seems to me that students have received lavish benefits that often were paid for by low-income people. I personally did not support the Mallard amendment, which had general agreement. It seemed to me that what we were doing was advising people to spend \$200 to save \$100. It simply did not make sense.