



Monday, July 24

NUS Opening Statement to the Senate Education and Employment Committee

We thank the committee for the opportunity to speak to our submission today.

NUS represents over 1 million students across Australia and have been the peak body for students for 30 years now.

NUS overwhelmingly opposes this Bill, particularly lowering the HECS repayment threshold, increase in student contributions and reduction in per student funding.

But we don't want to just oppose the bill. We want to use this opportunity to call on all parties to begin a process of seriously looking into new ways of financing the higher education sector. Years of chopping away at HECS has failed to equip the sector with the dynamic, sustainable and quality assurance needed going into a new era of education.

There are serious flaws in the current public/private system of university funding in Australia and this budget is just one more nail in the coffin for Australia's education system.

The expectation of the labour force has dramatically shifted since the introduction of HECS. Education is necessarily becoming a universal good. In 1989 only around 7% of Australians had a degree; now the lifetime participation rates of 25-34 year olds is almost 50%, including vocational education.

The idea that a university degree sets you up for a lifetime career is completely outdated. This generation of young people are likely to access higher education multiple times throughout our lives. Everytime, we can't rack up 50 or 60K debts; that would just contribute to this ballooning of government debt and will set up young people for a lifetime of repayments.

In the next 10-15, CEDA data estimates 40% of current jobs will be replaced by computers. Even if this is only partly realised, Australia will need to undergo a huge retraining exercise in order to equip us for the jobs of tomorrow.

It is important to understand the broader context of this Bill. Right now, we have an incredibly insecure job market, with underemployment and unemployment significant issues that seem to only be getting worse.

Wage growth has been almost stagnant for decades and the cuts to weekend penalty rates have been the most severe wage cuts since the great depression.

We can't pretend these aren't issues that have drastic effects on students. Attrition rates across universities have worsened and it's no surprise. More and more students are having to go part-time or leave university completely in order to work and support themselves. Some never go back.

There's undoubtedly been an increase in prevalence of mental health amongst young people, particularly students, which again, is sadly unsurprising. Many students have to juggle full-time study loads with near full time work because of the rising living costs, these hours usually being unsociable and deepening the pressure on today's students.

Then there's the housing and rental crisis. Since 1992 house prices have increased by 65% and for renters around 45%. Students are increasingly being forced further and further away from universities because of the high rental costs. This isn't just 10 or 15 minutes. Many students now live 1-2 or more hours away by commute, deepening the inaccessibility of the system.

A number of universities have adopted crisis accommodation as more and more students are having to sleep in student union buildings and rely on foodbanks provided by the unions to survive.

In 2012, UA and NUS ran a student finances survey which found 66% of students were worried about their financial situation, 50% were in personal budget deficit and 25% of those who were employed worked over 20 hours along with study.

We are running the survey once again this year, however 5 years on we expect the data to be significantly worse.

The Bill's proposal to increase fees, while billions of dollars of funding is cut will mean students are paying much more for a far worse quality education system. This measure is essentially a student tax as the higher fee's won't go into education, they will fall directly to the hands of the commonwealth.

Over the past few years, the quality of our education has been of increasing concern. Student class sizes are growing exponentially, meaning less face-to-face learning time and the casualisation of staff has diminished the capacity for tutors to allocate time after class to help students understand more difficult concepts. Student support services have also been slowly wiped out or had substantial funding ripped from them making it harder for students to seek help.

The lowering of the HECS repayment threshold is of serious concern. Considering the already low wage growth and seriousness of Australia's employment market, this measure will only make an already bad situation much much worse.

One of the rationales behind lowering the threshold was to align it with other social support payments. However what has been overlooked is that HECS debts aren't something you pay back over a couple of years, they are huge debts that will take a significant portion of a lifetime to pay off.

There has been a significant shift in global trends around the Higher Education sector. If Australia continues down this road of chopping away at HECS without any significant changes, we will fall behind the rest of the world. In the UK there has been mass support for Free Education in the last election along with Anthony Adonis proclaiming the flaws in the income contingent Loans schemes. New York has also just introduced free tuition for low and middle income earners.

Australia has the 6th highest fees in the OECD, however we also have one of the lowest public investments in education. Despite returning around 8% GDP to the Australian economy, only around 0.7% of GDP is spent on education.

But it is more than just the higher fees. We have forgotten what education means to our nation. Education is the greatest social equalizer. It creates countless jobs for those who never went to university at all. In 2014, for every 1000 graduate, 120 jobs were created for people who never got a degree. It contributes to a growing economy that could see workers actually earning adequate pay. But most importantly, education ensures that we are also a socially responsible nation; an educated nation. And modeling of the sector should reflect this pursuit.

For further comment contact;

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