



A submission to the Australian Labor Party  
***Scope and Terms of Reference of the  
Inquiry Into Post-Secondary Education***

Presented by NUS National President Mark Pace.

April 2018

## **Introduction**

The National Union of Students (NUS) welcomes the opportunity to provide a submission to the scope and terms of reference for the Australian Labor Party's once in a generation inquiry into post-secondary education.

Founded in 1987, NUS is the peak representative body for post-secondary students in Australia. NUS has affiliated student associations at campuses in every State and Territory.

Since the 2014 budget, the Federal Government has attempted multiple times to impose radical changes on Australia's Higher Education sector. It has done so with no coherent strategy for Australian higher education, other than to reduce public funding for what is an incredibly vital sector.

While these radical changes to higher education have been rejected by the Australian Senate, universities have been neglected and experiencing some of the deep-rooted problems of the demand driven system.

While the demand driven system has provided increased access for student from disadvantaged backgrounds to participate in higher education, the Federal Government has failed to extend student support and welfare services to match the increase in Australians studying.

For these reasons the National Union of Students welcomes the Australian Labor Party's inquiry into post-secondary education in Australia.

The NUS Women's Department has also collaborated with Fair Agenda, End Rape on Campus and The Hunting Ground Australia in a separate submission focused on sexual assault and harassment at universities. For this reason we have not discussed sexual assault and harassment in this submission, however endorse all aspects of their submission on the issue.

**Mark Pace**  
**National President | National Union of Students**

**P: 0411 606 808**

**E: [president@nus.asn.au](mailto:president@nus.asn.au)**

## **Minimising Student Debt Levels**

Moving into the future of higher education, Australians are expected to work in a multitude of different careers throughout their lifetime and seek a lifelong learning to constantly retrain and further specialise. It is estimated that in the next 10 - 15 years, 40 percent of jobs will be automated and that 96 percent of millenials are expected to retrain or further specialise throughout their working lives.

Lifelong learning will ensure that Australians who seek multiple qualifications throughout their lifetimes will accrue huge student debts and be paying back loans for the majority of their lives. Rather than manufacturing a generation of debt slaves, we need to be considering a system that minimises student debt levels to avoid a system where Australians are paying back HELP loans for the rest of their lives.

NUS recommends that the review considers the transition of universities as a place of lifelong learning, and prioritises a student loan system which minimises student debt.

## **Repayment Threshold**

The justification for the cost-sharing of tuition fees has always been that graduates pay back the private benefit they've received from their qualifications. These private benefits are primarily in the form of increased incomes beyond the average Australian wage.

NUS notes that the average Australian yearly wage sits at \$80,000, while the lowest repayment threshold for HELP loans is currently \$54,000. This suggests that majority of graduates are paying back their student loans before they receive any private benefits from their qualification, and their disposable income is already less than the average Australian.

NUS recommends that the inquiry review HELP minimum repayment thresholds in relation to the average Australian wage.

## **Tuition Costs**

While the cost of undergraduate qualifications is regulated, postgraduate degrees are deregulated and we've seen an influx of courses which exceed the current FEE-HELP cap.

Below is a table provided by the Department of Education and Training in the recent senate inquiry (March 2018).

### **Courses which exceed the current FEE-HELP cap of \$102,000.**

#### **Question 3**

How many courses eligible for FEE-HELP have fees that exceed the current FEE-HELP cap?

#### **Answer**

The department does not routinely collect and retain this information.

However, below are some examples of FEE-HELP eligible courses that have fees for domestic students exceeding the 2018 FEE-HELP limit, which the department has gathered from public sources:

<b>Higher education provider</b>	<b>Course of study</b>	<b>Cost of FEE-HELP eligible courses (\$)</b>
Bond University	Medical Program (comprised of two sequential degrees, the Bachelor of Medical Studies and the Doctor of Medicine, both of which must be completed for eligibility for registration as a medical practitioner)	\$378,154
Bond University	Bachelor of Biomedical Science/Bachelor of Laws	\$203,856
Bond University	Bachelor of Laws	\$143,296
Bond University	Bachelor of Architecture	\$107,472
Monash University	Juris Doctor	\$122,700
University of Melbourne	Doctor of Medicine	\$282,606
University of Melbourne	Doctor of Dental Surgery	\$279,848
University of Melbourne	Master of Architecture	\$123,939
University of New South Wales	Juris Doctor	\$121,680
University of Sydney	Juris Doctor	\$120,000
University of Technology, Sydney	Juris Doctor	\$118,656

*Source: all course fees are based on 2018 indicative course fees published on universities' websites*

While public discussion has focused on the proposed debt ceiling to minimise student debt levels, NUS believes the inquiry should consider why these courses charge exorbitant tuition fees.

In the future there will be increasing pressures on graduates to further specialise or retrain through postgraduate studies. In order to prevent an exponential rise in student debt levels we must consider restrictions on how much institutions can charge for postgraduate degrees.

NUS recommends that the inquiry review the cost of postgraduate degrees and consider restrictions on what institutions can charge.

## **Student Finances**

The last national review into student finances was conducted by Universities Australia in 2012. Their report outlined that two thirds of Australian students live below the Henderson poverty line, and that one in five regularly skip meals.

Since 2012 we've seen the massification of higher education, shortages in affordable student housing, cuts to penalty rates, and a shift to a more punitive income support system designed to deter Australians from accessing income support. We can only assume that an even larger proportion of Australian students now live below the Henderson poverty line and forfeiting essential goods in order to study.

Research conducted by the National Union of Students in 2015 showed that the maximum income support a student can access was 54.2 percent of the Henderson poverty line.

NUS recommends that the inquiry review current income support options that students can access in relation to the Henderson poverty line.

Through the implementation of the demand driven system, the demographic of the student population has also rapidly changed. Mature age students are increasingly participating in higher education, and more than ever students are studying part-time and completing their degrees over several years. However part-time students have limited access to income support, which forces many Australians to overload, or live without any support from the Government while studying.

NUS recommends that the inquiry review student access to existing income support schemes such as Austudy to improve access for part-time students.

With the massification of higher education, there's been a surge in the demand of affordable student housing with no meaningful response from the Federal government to address the shortage.

Students struggling to find accommodation have adopted a 'you just take it' mentality - which landlords have systematically abused and profited from. Since 2012 there have been countless students speaking out about horrific and illegal living arrangements.

NUS recommends that the inquiry review access to affordable housing for post-secondary students in Australia.

## **Minimum Funding Allocations for Student Organisations**

Prior to the introduction of Voluntary Student Unionism in 2006, student associations around the country received an average of 71% of the 'amenities' or 'student services' fee charged to students by their universities. This allowed student associations to provide key services such as childcare, healthcare, advocacy, counselling and sporting services.

In 2007 a number of reviews of the impact of VSU were undertaken. They concluded that the abolition of up-front compulsory student union fees had impacted negatively on the provision of amenities and services to university students and that capacity for student advocacy and democratic representation had been significantly reduced. VSU also saw 25 of 30 student organisations reporting substantial or total job losses and in some cases student organisations collapsed entirely.

Since then, the introduction of the compulsory student services and amenities fee (SSAF) has done little to bring student organisations and student services back to the level they maintained prior to VSU. The current structure of the SSAF allocation is that student organisations must negotiate with the university to receive their funding allocations, many of which are still well below 30% of the total SSAF paid by students, some student associations receive no SSAF funding at all. This provides economic instability for these organisations which has a major effect on their ability to provide student services.

The student guilds of Western Australia have state legislation that mandates a minimum level of SSAF allocations to their organisations - currently 50% - which has allowed WA student guilds to maintain a high quality of student-run services and amenities.

NUS notes the recent update to the national platform of the Australian Labor Party that states;

*'It is important a minimum guarantee of funding is made available for student-run services and independent advocacy'*

NUS recommends that the inquiry review minimum funding allocations for student organisations.

### **Student Consultation**

NUS believes that student engagement in the post-secondary inquiry is essential in order for the outcomes to accurately reflect meaningful change in the lives of students.

NUS recommends that the Australian Labor Party invite student representatives from each of the peak student bodies to participate in the review.

NUS recommends that the Australian Labor Party further consult and seek representation from Tafe students, who do not have a peak representative group.

## **Summary of Recommendations**

1. NUS recommends that the review considers the transition of universities as a place of lifelong learning, and prioritises a student loan system which minimises student debt.
2. NUS recommends that the inquiry review HELP minimum repayment thresholds in relation to the average Australian wage.
3. NUS recommends that the inquiry review the cost of postgraduate degrees and consider restrictions on what institutions can charge.
4. NUS recommends that the inquiry review current income support options that students can access in relation to the Henderson poverty line.
5. NUS recommends that the inquiry review student access to existing income support schemes such as Austudy to improve access for part-time students.
6. NUS recommends that the inquiry review access to affordable housing for post-secondary students in Australia.
7. NUS recommends that the inquiry review minimum funding allocations for student organisations.
8. NUS recommends that the Australian Labor Party invite student representatives from each of the peak student bodies to participate in the review.
9. NUS recommends that the Australian Labor Party further consult and seek representation from Tafe students, who do not have a peak representative group.