

**A submission to the Australian Universities Accord
December 2022**

Submitted by Curtin Student Guild

**Summary of the Priorities of the Curtin Student Guild in
relation to the terms of Reference of the Australian
Universities Accord**



Introduction

The Curtin Student Guild was established in 1969 to provide essential services, represent the interests and advocate on behalf of students at Curtin University. The Guild welcomes the opportunity to make a submission to the Australian Universities Accord and has responded to the following Terms of Reference:

- Meeting Australia's knowledge and skills needs, now and in the future
- Access and opportunity
- Investment and affordability
- Governance, accountability and community
- Delivering new knowledge, innovation and capability

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Investment and affordability

Recommendations:

1. Course fees fully funded by Government

According to the ABS¹, 39% of young people under 25 were studying for a bachelor degree in 2022 and 19% were studying for a post graduate qualification. In 2020-21, nearly three million people owed an average of \$23,685 in study debt. The number of people with debts above \$50,000 reached 278,069 (9.6% of all debtors) while the time taken to repay HELP reached an average of 9.4 years in 2020–21)

HELP loans are tied to indexation and Australia's annual inflation is at a 30 year high of approximately 6% per annum. The indexation rate of HELP loans has climbed to 3.9% resulting in more than \$1.9billion of extra student debt in 2022. In 2023 It is expected an additional \$1.6 billion in debt will be owed by students as a result of inflationary pressures.²

For younger Australians, a university education is not the guarantee of increased living standards it once was. According to the Grattan Institute³, wealth has barely shifted in the past decade. Wider trends in the job market, including workforce insecurity and lower real salaries, impact young people's financial outcomes. Younger Australians are less likely to own a home than their parents at the same age, and those who do are taking on a lot more debt.⁴

In New Zealand Government, school leavers are provided one year of fee-free tertiary tuition. The Government plans to increase this to three years of free university education by 2024. Free tertiary education is available in other countries including Germany, Denmark, Sweden and Norway.

The benefits of free tertiary education include:

- Development of human capital
- Increased accessibility
- Increased capabilities
- Enhanced innovation
- Increased productivity across the whole economy
- Increased social mobility
- Increased tax receipts
- **Alleviation of the gender wealth gap**
- Ability to meet the demands of upskilling our workforce which is expected to require 33% more training by 2040⁵
- Reduction of the financial burden on Gen Z who by 2055 will have 3.2 workers supporting each Australian aged 65+ compared to 7.4 baby boomers in the mid-1970s ⁶

The Productivity Commission's 5 Year Productivity Inquiry: from Learning to Growth 2022 reported that rising skill levels have accounted for about 19% of the growth in output per hour in the market sector from 1994-95 to 2020-21. It also noted that education would be critical for reaping the economy-wide benefits of automation and digital technologies — future growth is likely to involve a greater level of skill-biased technological change.

The Curtin Student Guild recommends the funding of free education through the removal of fossil fuel subsidies and adjustments to the tax policy.

Governance, accountability and community

Recommendations

1. Cap Vice Chancellor Salaries and enforce greater transparency by having them set by the Salaries and Allowances Tribunal

Australian Vice Chancellors are among the highest paid in the world. ⁷

Many are paid more than senior public servants – including the Prime Minister. Australian universities are mainly funded by taxpayers, yet there is no accountability and little transparency with regard to VC remuneration. Recent estimates put VC salaries at least 10 times that of an average lecturer's income. ¹⁶

There is a lot of discussion about VC salaries in comparison to CEOs in private enterprise. However, universities do not operate in a true competitive environment and student fees and research funding are controlled by the government. ⁸

Another concern is that the increase in VC remuneration has occurred at the same time as significant staff reduction and workforce casualisation.

The University Chancellors Council's (UCC) *Australian Universities Vice-Chancellor and Senior Staff Remuneration Code* has voluntary disclosure making it difficult to ascertain the total remuneration of vice chancellors.

In the UK, universities are compelled to disclose VC salaries, pensions and benefits to the independent higher education regulator the Office of Students. No equivalent requirement exists in Australia. The Curtin Student Guild recommends that VC salaries are set by the Salaries and Allowances Tribunal just like any other senior public servant.

2. Change SSAF funding model with Federal Legislation guaranteeing recognised student unions 100% of SSAF funding

Under the Federal Government's Student Services, Amenities, Representation and Advocacy Guidelines (Representation Guidelines), universities are required to have a formal process of consultation with democratically elected student representatives regarding the specific uses of SSAF funds.

However, the amount of funding that is allocated to recognised student associations is not defined by the Federal Government legislation. Only in Western Australia does legislation require 50% of SSAF to be allocated to student unions.

The Curtin Student Guild supports the introduction of Federal legislation that guarantees recognised student unions 100% control over the SSAF funding. This provides national consistency and assurance to students.

Student unions are the most appropriate providers of services and amenities that support student engagement, wellbeing and quality of education as this is their core business unlike universities which can have conflicting and competing interests. At the same time, student unions' ability to negotiate on behalf of the student body can be compromised by the power imbalance associated with the current precarious SSAF funding arrangement.

Meeting Australia's Knowledge and skills needs, now and in the future

Recommendation:

1. Incentivize international students who wish to migrate to Australia by offering Commonwealth supported places in disciplines where there is a long-term skills need

Over the next five years to 2026, the National Skills Commission estimates one million jobs will be created – more than half of which will require a university degree. According to the 2022 Skills Priority List ²¹, healthcare, IT, teaching are critical areas of demand. Anglicare Australia Jobs Availability Snapshot 2022 ¹⁷, reported that nearly half or 44% of all job vacancies require a tertiary education or at least three years experience reflecting a shift towards a job market that requires more advanced skills.

Increasing the numbers of international and local students studying together is part of the solution identified by the [Australian Strategy for International Education](#). ²²

While student visa requirements have been recently relaxed, there is no automatic pathway from a student visa to a permanent residency visa in Australia. However, demand is strong with 63,000 Temporary Graduate visas granted in 2020.

Offering a proportion of Commonwealth Supported Places to international students who are enrolled in courses where there is a long-term skills need and who commit to staying in Australia for a specified period and/or permanently will assist in meeting demand for skilled workers. International student graduates are ideally placed as they have been educated in Australia, have undertaken local placements, have local work experience and are invested in the community.

At the same time, we must provide adequate support to international students who face many challenges including isolation, financial hardship, wage exploitation, visa restrictions and racism.

2. Introduce paid placements for all courses

Students have reported that they experience financial stress during placements because they must either wind back or stop their casual employment. This is an issue affecting both domestic and international students. Recent cost of living increases have only made the situation worse.

Some students are forced to work seven days across their placements, with paid work on weekends necessary to make ends meet.

It is a catch-22 situation for students who have to be industry experience but at the same time need to work to support themselves through university.

Only a small percentage of placements are paid.

The university sector needs to tackle this issue especially as we move to a greater emphasis on work-integrated learning across a range of professions

Students should have the option of adding to their HECS debt when on placement if their financial situation is precarious.

3. Age of Independence lowered to 18 years

The Curtin Student Guild supports the NUS recommendation (2022-2023 Pre-Budget Submissions) to lower the age of independence to 18 by 2025.

Most students who are not married or in a defacto partnership have to be 22 before they can access Centrelink payments to assist them with cost of living expenses while they study. Despite the fact they are legally considered an adult, for the purposes of Centrelink they are subject to means testing based on their parents combined income. An adult student whose parents combined family income exceeds \$58,286 is ineligible for Government support while studying. In circumstances where students live away from home or who are "independent" from their parents because of other factors, the NUS has noted that based on ABS data on disposable household income, students from 80% of households are ineligible from receiving government support throughout the course of their studies. Those students must rely on part time work mainly in industries with insecure employment and low wages.

According to the Bankwest Curtin Economic Centre's report Behind the Line: Poverty and Disadvantage in Australia 2022, financial hardship will impact people's quality of life, their security, health and sense of wellbeing.⁹

The June quarter 2022 Henderson Poverty Line report¹⁰ indicates the following poverty line indicators potentially apply to students:

The average single person falls below the poverty line if they earn less than \$499.99 or \$616.62 per week, depending on their circumstances.

The majority of students who commence tertiary studies are under the age of 22 and they do not qualify for any Government support for all or the majority of an undergraduate degree.

The NUS has noted that students aged under 21 cannot earn above the Henderson Poverty Line because wages for young people are permitted to fall below the national minimum wage.¹¹

Quality and sustainability

Recommendation:

1. Introduce a Duty of Care Code of Practice

New Zealand introduced a new code of practice for the pastoral care of domestic tertiary and international learners in January 2022. The Duty of Care ¹² incorporates:

- Physical and mental health awareness and support
- Proactive monitoring and responsive wellbeing and safety practices
- Additional wellbeing and safety practices in tertiary student accommodation
- Accommodation staff requirements
- Accommodation administrative practices and contracts
- Student accommodation facilities and services
- Additional wellbeing and safety practices for international students
- Reporting and publishing obligations
- Reporting breaches of the code
- Responding to complaints

Students will benefit from a Duty of Care Code of Practice because:

- Mental health support services will be prioritised ¹³
- There will be greater support for international students in a range of areas
- There will be greater transparency and accountability with regard to accommodation providers
- There will be standard protocols for complaints and resolution

A Duty of Care provision for universities supports the recommendations of the Productivity Commission's 2020 Mental Health Inquiry ¹⁸ which called for better mental health support tertiary students specifically:

- Expanding online mental health support and collecting de-identified data to inform service improvement
- Ensuring international students are adequately covered for mental health treatment and counselling services meet language and cultural diversity needs
- Requiring all tertiary providers to have a mental health and wellbeing strategy as part of registration
- monitoring and disseminating information on best practice interventions by Tertiary Education Quality and Standards Agency (TEQSA) and Australian Skills Quality Authority (ASQA).

Access and opportunity

Recommendations to

1. Recommendation to abolish the low completion rate requirements of JRP

The completion rate requirements introduced from January 2022 apply to students enrolled in a Commonwealth Supported Place (CSP) and those who access HECS-HELP or FEE-HELP who:

- Have started a bachelor or higher course or sub-bachelor degree (e.g. diploma) from 2022
- Are a continuing student who has transferred to a new course from 2022

The 50 per cent pass rule means that bachelors students lose access to their Commonwealth Supported Place (CSP) and HELP loans if, upon completing eight units of study, they fail 50 per cent or more. The rule triggers at just four units for sub-bachelor students. Students who are impacted by the rule have to pay the full fees upfront or change course.

The completion rate requirement is flawed because:

- Equity groups will likely be most adversely impacted
- It encourages students to swap courses to stay enrolled or move to part-time studies
- It could lead to higher failure rates as part-time studies are more likely to fail or leave university than their full-time counterparts
- The problem of non-participating enrolments can in part be attributed to concurrent enrolments at multiple universities which can be identified with improved government data sharing and the universal student identifier (USI)
- There are different degrees and reasons why students fail and universities should have the discretion to look individual circumstances instead of being forced to adopt a one size fits all approach
- Increased administration on behalf of universities to identify and report on students who do not meet the 50% threshold
- Need for increased support to assist students who are at risk or meet the criteria for low completion
- It is expensive and resource heavy to administer to ensure that university policy complies with the new legislation and universities may have modify processes around unsatisfactory academic progress and special consideration.¹⁹
- Disengaged students are not protected from incurring debt

2. Abolish the JRG student contribution fee bands 1-4 for domestic students

The Job-Ready Graduates package introduced in 2021 by the Morrison Government changed the framework for the provision and funding of commonwealth supported domestic student places. These include highly differentiated pricing for students, changes to the manner in which universities receive funding for teaching and a revised formula for the distribution of additional places.

The outcomes have been:

- Universities are receiving less funding per student to teach courses
- According to the NTEU the changes deliver a 15% cut in real public funding per student and a 7% increase in average student contributions
- The policy effectively reduces the overall government contribution to degrees from 58% to 52%, with student contributions lifting from 42% to 48% to pay for more places without extra government funding and a 6% decline in overall student related income per EFTSL.
- Some students are paying between 20% and 113% more in HECs fees
- The gap between the cheapest and most expensive course more than doubled, to \$10,550 a year. (check)
- Failure of the assumption that price signaling could manipulate student course selection, which was one of the major aims of the legislation.
- Inflation has been exacerbated, and in some cities the increased price of education has been the main driver for increased inflation. ^x

The Productivity Commission's 5-year Productivity Inquiry: From learning to Growth ¹⁴ noted that using differential subsidies to encourage students toward courses in which there was a perceived economic or social need was flawed and that methods for comparing the relative benefits of various courses in order to decide level of funding support are not reliable or, at a conceptual level, even valid. Curtin Student Guild also echoes the concerns of The Australian Academy of the Humanities in their submission to *the Job-Ready Graduates Exposure Draft Legislation* which highlights that the JRP makes the study of Indigenous culture more expensive than medicine and fails to recognise that the study of cultural and political systems of Australia's neighbouring nation-states are of critical importance to Australia's future. Imposing more debt onto students studying courses within the humanities is an unfair practice with rather short-sited and baseless claims to justify it.

3. Increasing the repayment threshold for HECS repayment

The HECS (Higher Education Contribution Scheme) repayment threshold for 2022/23 is \$48,361. In 2017-18 it was \$55,874. Australians commence repayment of their HECS debt at an income threshold that is marginally above the national annual minimum wage of \$42,255.

This is an unacceptable burden on students in an environment of significant inflation, interest rate rises, reduction of funding of university education, increases in indexation of HECS debt, stagnating wage growth and the shouldering of a tax burden to support older Australians.

Changes to HECS are often not based on economic theory or evidence-based analysis, but are driven by compromise to achieve specific political objectives.

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