

To: Members of the
Senate Education and Employment Legislation Committee

From: University of Melbourne Student Union

**Submission for the Inquiry into the Higher Education Support
Legislation Amendment (A More Sustainable, Responsive and
Transparent Higher Education System) Bill 2017**

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1. Executive Summary

The University of Melbourne Student Union (UMSU) has conducted a student survey into Senator Birmingham's Higher Education Reforms. The survey was divided into four sections: Costs of Higher Education; Commonwealth Supported Places and Research Higher Degrees; Permanent Residents and New Zealand Citizens; and HELP Repayments. 233 University of Melbourne students completed the survey.

The sections of this submission follow this format in response to the **Higher Education Support Legislation Amendment (A More Sustainable, Responsive and Transparent Higher Education System) Bill 2017**.

This submission reflects the position of UMSU and the University of Melbourne student body with regard to the Higher Education Support Legislation Amendment (A More Sustainable, Responsive and Transparent Higher Education System) Bill 2017.

2. Costs of Higher Education

In the first section of our survey, students were asked questions pertaining to the changes included in **Schedule 1** of the Bill. These include the increase in student fees (7.5% increase by 2021), the "efficiency dividend" of 2.5% to applications under the Commonwealth Grant Scheme (CGS) in 2018 and 2019, and the adjustment of student contributions to 46% (decreasing government contributions to 54%).

66.5% of students surveyed "strongly disagree" with the 7.5% increase in student fees, with 9.9% of respondents "disagree" with these changes. 73% of students "strongly disagree" with the 2.5% efficiency dividend, while 7.3% "disagree". 55.4% of respondents "strongly disagree" with the increase in student contributions and 14.6% "disagree" with this proposal.

Increasing student contributions and fees, in conjunction with lowering university funding, results in students paying more for lower-quality degrees. Comments from students highlight a concern that the "proposed changes will result in a drastically reduced standard of education". The changes increase the burden on students, "mak[ing] things harder for young people who are already struggling to afford accommodation and even food". These views were prevalent in written responses. With students commenting that the changes are even disincentives from studying in Australia:

"I am nearing the end of my undergrad, but this is seriously affecting my post-graduate decisions. I feel like I will most likely end up studying at an overseas institution because the cost vs. education quality will be better in another country."

International students were also unimpressed by the proposals:

"Very disappointing to see this happen in Australia from an international student point of view. All of our community think Australia is better than this. We could expect this kind of "reforms" in most of our own countries, but NOT here. It is worrying because for sure it is the first step for worse things to come if approved."

Many respondents felt students and universities were being “disproportionately” and “unfairly” targeted in the Federal Budget. Even those broadly in favour of the changes (10% of respondents) remarked that “it is questionable why this is one of the very few budget savings measures when the majority of the budget is aimed at increasing spending across the economy”.

Overall, the changes outlined in Schedule 1 of the Bill are poorly considered, and will effectively increase the cost of higher education whilst decreasing the quality of teaching and learning. UMSU opposes these changes, and asks that the Senate reject the proposed changes in Schedule 1 of the Bill.

3. Commonwealth Supported Places and Research Higher Degrees

This section of the survey roughly corresponded to **Schedule 2** of the Bill. This includes the changes to Commonwealth Supported Places (CSP) and performance-contingent funding under the CGS.

60.1% of respondents “strongly disagree” with the re-distribution of CSPs, with 11.6% “disagree[ing]”. 70% “strongly disagree”, and 12.4% “disagree”, with the reduction in CSPs. 47.6% of respondents “strongly disagree” (and 13.7% “disagree”) that university funding should be linked to performance targets.

University of Melbourne students will be uniquely affected by the changes to CSP allocation because of the ‘melbourne model’. This was reflected in student feedback:

“these changes are illdefined and are gonna massively impact the melbourne model”

“It totally defeats the reason why I even came to study in Melbourne University in the first place. If I knew that I would become ineligible to receive a CSP for my postgraduate, I would have studied at Monash in the first place. The Melbourne Model works in such a way that it essentially FORCES the students to take a postgraduate degree, because the undergraduate degree in Melbourne University will not allow students to specialize in anything.”

“So I have to pay more for a graduate course, even though I'd perform equally as well as others, just because there aren't enough spaces? Absolutely get out.”

Many respondents cited CSPs as necessary to their pursuit of higher education: “I wouldn't have been able to attend university if I didn't get one, and I know there are plenty more like me who are in the same situation”. Moreover, it was repeatedly noted that students from a low socioeconomic background would bear the brunt of changes to CSP allocation.

UMSU stands against the proposed changes to CSPs. These measures will disproportionately affect students from disadvantaged backgrounds at a time when students face higher costs of living than ever before. UMSU calls on the Senate to reject the changes included in Schedule 2 of the Bill.

4. Permanent Residents and New Zealand Citizens

This section of the survey focused on the removal of Commonwealth subsidies for Australian permanent residents and most New Zealand citizens as outlined in **Schedule 3** of the Bill.

51.1% of respondents “strongly disagree” and 15% “disagree” with changes to funding for permanent residents and most New Zealand citizens.

Respondents were concerned these changes will make higher education inaccessible to permanent residents and New Zealand citizens and thus reduce “diversity within the student body”.

Respondents who were not permanent residents or New Zealanders had strong opinions about the fairness of these changes:

“Permanent residents and NZ citizens are likely to beneficially contribute to Australian society. In closing off these people from higher education, you also close of a diversity of opinion and a spirit of openness.”

“New Zealanders are our neighbours. Why are we trying to make things harder for them?”

“I'd hate to think that any permanent residents would delay or be discouraged from higher education because of this change, especially if the change does not come with a corresponding improvement to the citizenship application process.”

“PR & NZ citizen would feel like they are not part of the Ausi community anymore.”

However, it was also evident that students who are NZ citizens and permanent residents are now reconsidering their choice to study in Australia or imagining a future where they do not have access to higher education:

“As a NZ citizen, I am rethinking my future study options and exploring other post-grad options in other countries with better benefits and scholarship opportunities. I think Australia will lose potential NZ students who are intellectually superior than Australians.”

“That as my siblings and I are personally effected by this change, as a NZ citizens who have lived here since we were children it is completely unfair and ridiculous. We pay taxes and contribute to Australian society. This is our home, our jobs are here our friends are here our lives are here. In this time it is impossible to get a paying job over minimum wage without a degree. This change literally forces us to move back to a place we haven't lived since we were two because of the cost. NZ has the common sense and decent courtesy to allow Aus citizens in the same position to be treated as domestic students. Why doesn't the Aus government have the same?”

“As a permanent resident, this affected my family greatly. My sister is currently a year 12 student and if this reform passes, my family has to pay FULL-FEE for BOTH the education of my sister and mine as we both start our degrees next year. Unfortunately, my father has said to me, without telling my sister, that in that case, if I study a medicine degree, my family CANNOT afford the cost of education for my sister. Therefore, ONE of us have to give up our education because of this policy. Both of my parents are of retirement age and they have difficulties in finding employment. This reform could not have come at a worst time.”

These student statements represent the intense opposition to these changes within the University of Melbourne student body. UMSU considers these changes to unfairly target students who are permanent residents or New Zealand citizens to little gain. Forcing these students to pay more for higher education is not going to improve the quality of teaching and learning at Australian institutions.

5. HELP Repayments

The last section of the survey corresponded to **Schedule 3** of the Bill, focusing on the changes to HELP repayments. In particular, the lowering of the repayment threshold.

46.8% of respondents “strongly disagree”, and 12% “disagree”, with the lowering of the HELP repayment threshold.

“Reducing the HELP threshold debt defeats the purpose of HELP - i.e., to ensure that people have the money before they start paying. This will not be case, as the cost of living is higher than ever, especially for new graduates - meaning reducing he HELP threshold will significantly contribute to financial insecurity.”

“I understand the rationale behind this change, but I still think it is foolish. Placing further constraints on a \$42,000 income could be risky.”

“The employment rate after finishing uni is decreasing, and a significant number of our graduates find it difficult to be hired on a full-time basis, therefore this change puts additional and unnecessary pressure on them while they are just starting their career and making ends meet. Our government has to support the youth and invest in their education, not punish them for pursuing higher education.”

“My debt will be \$90,000 when i graduate, the 1% repayment will be 900 over the first year. The problem i have with this is that when the interest comes into account i don't think i will make a dent in paying off my debt and it will still be increasing whilst I'm a low income earner.”

“As I read more and more about this I get really upset because they clearly don't know what they are doing. Are they encouraged by their decision or do they just don't give a sh*t. Can't they tell that money makes a huge huge differences for those who are disadvantaged?”

These statements show how anxious and disappointed students are in the face of these changes. UMSU opposes the lowering of the HELP repayment threshold, and asks that the Senate do the same.

5. Conclusions

These budget measures will have a catastrophic effect for students. Moreover, the higher education reforms will do nothing to improve the quality of tertiary education in Australia. University of Melbourne students are overwhelmingly against these changes. The changes the Bill entails place the burden on students, disproportionately affecting young people. Students from low socioeconomic backgrounds are further disadvantaged by the Bill.

UMSU appeals to the Senate to block the **Higher Education Support Legislation Amendment (A More Sustainable, Responsive and Transparent Higher Education System) Bill 2017**.