Danielle Udy
[redacted]

Professor Mary O'Kane

March 31st 2023

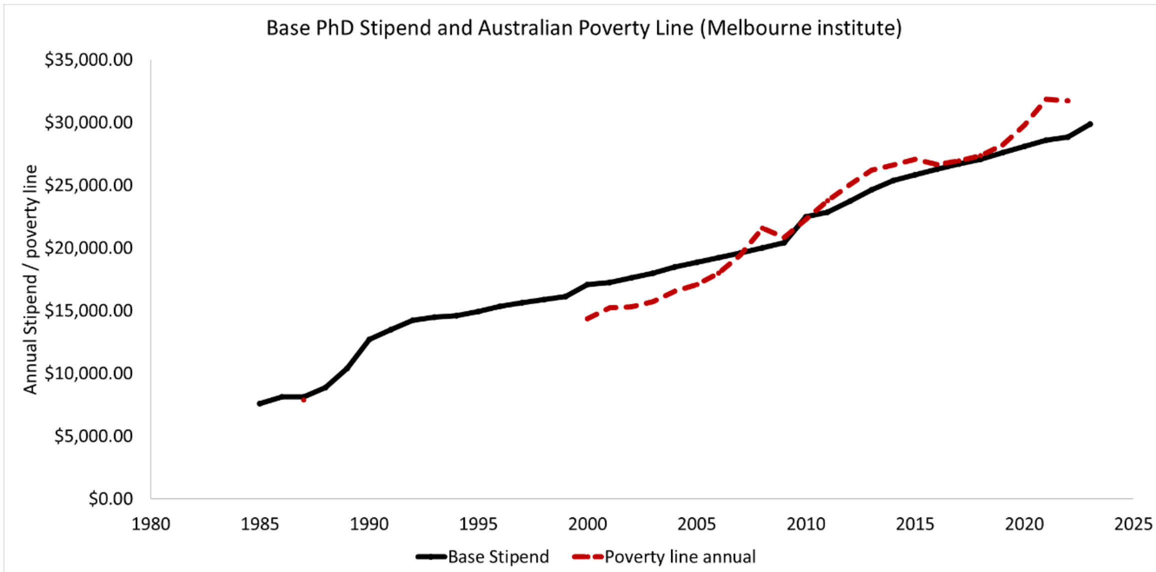
Dear Professor Mary O'Kane and fellow Panel members,

Re: Submission to the Australian Universities Accord Panel Discussion Paper Consultation

In my final year as a PhD student last year I became passionate about raising awareness around the impact of the low base PhD Research Training Program (RTP) stipend rate. PhD candidates are highly educated (Bachelor degree + first class honours or Masters degree required) and frequently contribute to university output through novel research findings and publication of journal articles during their candidature. However, the current base PhD stipend in Australia is below the poverty line.

The PhD stipend has always been low in Australia but with the sharp rise in inflation and cost of living in recent years, the base PhD stipend rate is now 10% below the Melbourne Institute estimated poverty line (see graph on next page). The PhD base stipend is currently the lowest it has been in comparison to the poverty line since records became available in 1985. This has major implications for PhDs across the country and impacts the equity of being able to pursue a PhD. As a student representative at The University of Tasmania in 2021 and 2022 I had fellow PhDs contacting me to discuss their distress of having to miss out on meals just to be able to afford increased rent and/or unexpected medical expenses. I also had friends who had to pause or leave their PhD to find another job due to financial stress. The economic loss from PhDs not finishing is difficult to quantify, but it impacts on Australia's goal for increasing world leading new knowledge, innovation and capability.

I acknowledge that in Australia the PhD is considered a research training program, and as such PhDs are considered students rather than staff. However, within most universities PhD supervision is considered research time and not teaching time (as is the case of Honours/Masters research supervision). While PhDs are undertaking further 'training' in research and ultimately getting an additional degree, they are also contributing to Australia's research, developing new knowledge and skills needed now and into the future. Therefore, I believe that they should not be considered students and should be paid appropriately for their contributions. **This rate should be equal to at least the minimum wage and include superannuation contributions.** For a PhD student that graduates at 32 years old, earning no superannuation over their 3.5 year PhD leaves them **$240,000 worse-off** (assuming 7% return) at retirement (age 67) compared to peers earning 10% super on a $60,000/yr wage over the same period.



Prior to my PhD, I worked as a hydrologist in environmental consulting for 5 years and was both mentored on the job as a graduate (for ~3 years – similar to a PhD timeframe) and then supervised new graduates. Despite on the job training, in the professional and government graduate roles you are still paid a living salary ($60, 000+) and superannuation. As a highly educated person there is currently no financial incentive to do a PhD.

As a nation do we want to rely solely on the passion of pursuing research to meet our future research needs? I'm worried that Australia's future research sector will suffer due to the low base PhD stipend providing no financial incentive to do a PhD, as well as impacting the diversity of eligible candidates. At the current base PhD stipend rate ($29, 863 tax free) there is more financial incentive to work at McDonalds on the minimum wage ($36, 840 after tax + 10% super) or undertake a trade (e.g. first year construction trainee with year 12 education receives $35, 862 after tax while training on the job). Additionally, the income potential after PhD (>$90, 000 depending on university) is similar or even below some trade salaries (e.g. 2023 construction salaries range between $70, 000 to $180, 000).

My recommendations for consideration by the Panel to increase the financial incentive of PhDs are:

1) Increase the base PhD stipend to at least minimum wage ($36, 840 after tax)
2) Include minimum government required super contributions on the stipend, and
3) Pause HECS debt rises during PhD candidature period (3.5 years)

Warm Regards,

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