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Australian Universities Accord Panel
Department of Education
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Submission to the Australian Universities Accord Panel – Discussion Paper

I thank the Australian Universities Accord Panel (the Panel) for the opportunity to provide this submission to the Accord Discussion Paper. I write this submission as the Australian Greens Education portfolio-holder, and as a former academic who maintains a passion for higher education and research.

In my previous submission regarding the Accord Terms of Reference, I outlined my vision for higher education and attached a discussion paper released by my office last year titled '*The University of the Future*' which canvassed ideas as a starting point for a richer, more radical discussion about the future of universities.

In this submission, I focus on pressing issues in higher education which deserve urgent consideration in the Panel's interim report on priority actions, due in June 2023. I make nine recommendations, each explained below.

1. Make the student debt system fairer

The growing burden of student debt is making news every day and it's beyond clear that urgent intervention is warranted.

Ultimately, university and TAFE should be free and student debt should be wiped. As we work towards that vision, the current student loan system should be made fairer. The most obvious way to do this would be to abolish indexation and raise the minimum repayment income to the median wage.

More than 3 million Australians owe in excess of \$74 billion in student debt. Currently, student debt is growing at an obscene and unsustainable rate because indexation is tied to inflation.

On June 1 this year, student debts will be indexed by 7.1% - the highest rate in decades. This is on top of a 3.9% increase in June 2022. Based on the CPI forecasts in the May budget, the parliamentary library has estimated that next year, student debts will be indexed by around 3.9%. This estimate means that in just two years of the Labor Government, student debts could increase by an astronomical 15%.

In addition, the timing of when indexation is applied to student loans on June 1 and when the ATO deducts a year's worth of repayments from the loan on June 30 means that indexation is applied on the higher amount.

Indexation is causing student debts to increase faster than they are being paid off. People are falling behind before they even start. Larger debts take much longer to pay off, and more and more graduates will spend their entire lives repaying their student debt. Soaring student debt is locking people out of the housing market, making it harder to obtain loans and crushing dreams of further study. Young people, women and those on low incomes are being hit hardest by this debt spiral, especially as a cost of living crisis is raging.

People shouldn't be shackled with lifelong debt simply for choosing to pursue higher education.

Australia's student loan system was built on the fundamental premise that a graduate should not have to start paying their student debt until they can afford to. However, the minimum repayment income is now around \$48,000, which is only \$6,000 above the minimum wage. Next financial year, it will be raised to around \$51,000. This is far too low to start paying off student debt when people are struggling. People on low incomes, who are struggling to survive and who are yet to realise the financial benefits of higher education, are having desperately needed income taken away each paycheck to cover their student debts.

The low minimum repayment income is making the cost-of-living crisis worse. In recent months, we have seen testimony after testimony of students and graduates struggling to afford groceries, medicine, menstruation products, train and bus tickets, rent and weekly bills. Graduates and students are working multiple jobs but barely making ends meet. These financial pressures are taking a severe mental and physical toll.

Recommendation 1- Abolish indexation on all student debt.

Recommendation 2- Raise the minimum repayment income to the median wage.

2. Improve working conditions for researchers

In Australia, PhD students are eligible for a stipend from their university, via funds through the government's Research Training Program (RTP). However, this stipend is currently \$29,863, which falls well below the current national minimum wage. Universities can top this amount up but data on 189 Australian universities shows only 42 universities offer above the government's stipend and none meet the minimum wage.¹

The PhD stipend is at a near historical low. Australia's PhD stipend also falls well below that of comparable nations like the UK, Germany and Italy.² Given the enormous benefits and impacts of knowledge generated by researchers, it is only fair that they are paid a decent, dignified amount for their work.

PhD students in Australia are struggling to make ends meet. They are 'barely scraping by' on stipends below the minimum wage, often relying on a partner to survive or being forced to eat instant noodles and work extra jobs during the night.³ Raising PhD stipends would

¹ [The Guardian, 'Instant noodles and extra jobs: PhD candidates 'barely scraping by' on stipends below minimum wage' \(29 January 2023\)](#)

² [How are PhD students meant to survive on two-thirds of the minimum wage? \(theconversation.com\)](#)

³ [The Guardian, 'Instant noodles and extra jobs: PhD candidates 'barely scraping by' on stipends below minimum wage' \(29 January 2023\)](#)

provide much-needed financial relief for many struggling to complete their research. This has benefits for not only individual researchers, but collectively for society as research and researchers try to solve the complex and wicked problems of the climate crisis, inequality, global justice, health emergencies amongst others.

Additionally, PhD students, despite often conducting research on a full time basis, cannot access the same parental leave entitlements as other working parents. PhD students do not qualify for paid parental leave as their activity is counted as 'study through a scholarship or other award of financial aid' and therefore fails the work test in the current *Paid Parental Leave Act 2010*.

If the Government is serious about achieving gender equality and supporting parents in research, it must increase government support for PhD students. Without sustained investment, we risk more and more PhD students, particularly women, forgoing further education because of its high costs and the lack of support available.

Recommendation 3: Raise the stipends for PhD students to at least the minimum wage.

Recommendation 4: Extend paid parental leave to PhD students.

3. Raise support payments for students.

According to a report by the National Union of Students (NUS) and the Foundation for Young Australians, thousands of students are forced into poverty to pursue their degrees.⁴ Students are regularly going without food and other essentials because they can't afford them.

The welfare system is failing students. The majority of Australian students aged 18-21 are excluded from Youth Allowance payments due to the age of independence being 22. Even when students can access Youth Allowance, it is often entirely insufficient to cover living expenses.

Living in poverty increases housing instability and exacerbates existing crises such as domestic violence which students may be facing. Student poverty also takes a severe mental health toll, with cost of living pressures currently being the highest risk factor for suicide according to Suicide Prevention Australia. We can't expect students to thrive at university when they are living well below the poverty line.

Recommendation 5: Lower the age of independence from 22 to 18, and raise student social security payments above the poverty line to at least \$88 per day.

5. Unpaid placements

Students who are required to undertake unpaid vocational or educational placements are particularly at risk of financial stress. Several licensing or registration bodies and professional associations require a set period of Work Integrated Learning (WIL) as a requirement for students to gain their qualifications, including in medicine, law, nursing,

⁴ Locked Out Of Youth Allowance: Student Poverty + Centrelink In Australia

teaching, engineering and social work.⁵ In the VET sector, early childhood education students are also required to complete placement hours to achieve accreditation.⁶

Unpaid placements exacerbate existing inequalities, as students must often give up paid work to complete placement or otherwise juggle paid work and a placement simultaneously in order to make ends meet. Students have previously reported that they had to cut back on paid work, receive financial assistance from family or friends to cover living expenses and pay for other hidden costs of placement such as travel expenses to placement locations, living away from their usual home, paying their own insurance, or paying an agency, broker or the organisation to facilitate the placement.⁷

The burden is particularly felt by women undertaking study in feminised sectors, including social work and nursing. This is a matter of gender inequity and must be addressed urgently.

Recommendation 6: Students should be paid when undertaking mandatory unpaid placements.

4. Clean up the Job-Ready Graduates mess

In 2020, the Coalition Government introduced the disastrous “Job-Ready Graduates Package” in an ill-formed attempt to persuade students to pursue certain careers. This scheme drastically shifted the cost of delivering a university education away from the Government and onto students, by hiking fees and cutting university funding. Under this scheme, course fees for law and commerce degrees increased by 28 per cent and by 113 per cent for arts and humanities degrees.

On average, the package drove up fees for women by 10% and 6% for men. It has further entrenched gender inequality as women overwhelmingly study the courses which were hit hardest by the fee hikes and are incurring more and more student debt.

The intention of the Job-Ready Graduates scheme was objectionable in the first place and it was a furphy that this scheme would encourage students into the so-called priority degrees. Students should be able to study what they want, not what the Government of the day wants.

Under the Job-Ready Graduates scheme, funding for student places was cut and the capacity of universities to offer a high standard of teaching and learning was deeply undermined. Job-Ready Graduates also gutted research funding by rejecting the long-held notion that base funding (student fees plus Commonwealth contribution) is meant to provide for teaching, scholarship and base research capability.

The Job-Ready Graduates package has condemned generations of people to decades of debt and pushed universities further into strife. It must be reversed immediately.

Recommendation 7: Reverse the fee hikes and funding cuts introduced as part of the Job-Ready Graduates Scheme.

⁵ Department of Employment and Workplace Relations, ‘Unpaid work experience in Australia: Prevalence, nature and impact’ (Report, 22 December 2016) p 13.

⁶As above

⁷ As above p 45; See also Christine Morley et al, “‘This unpaid placement makes you poor’: Australian social work students’ experiences of the financial burden of field education’ (2023) *Social Work Education*.

5. Wipe SFSS debts

The debts resulting from the Student Financial Supplement Scheme (SFSS) are especially unjust and egregious. From 1993-2003 the SFSS encouraged students, including minors acting without their guardians' authority, to trade in their Youth Allowance for a loan.

For every dollar of income support a student gave up, they incurred \$2 in debt. Although the debt does not accrue interest, it does increase in line with CPI every year, effectively forcing people to pay much more than the original loan amount. Struggling students from low socio-economic backgrounds signed up for this scheme out of desperation and many who are now in their 40s and 50s are still struggling to repay the debts.⁸ According to some legal experts, a class action could be mounted against the government by individuals with SFSS debts on the basis of unconscionable conduct.⁹

The Howard government dumped the SFSS scheme at the end of 2003, acknowledging it was saddling students with high levels of debt, was "administratively cumbersome and poorly targeted" and effectively hit people with hidden interest rate costs through forgone welfare. It is an abomination that people continue to have to pay their SFSS debts, despite these acknowledgements.¹⁰

Recommendation 8: The SFSS debt should be completely wiped.

6. Ensure the welfare of international students

Australia is failing international students. International students are struggling to find safe and affordable accommodation. There have been reports of international students pitching tents in living rooms, sleeping in bathrooms and couch surfing.

It is unacceptable for Governments and universities to treat international students like cash cows, enticing them to come to our shores but then leaving them high and dry during tough times. We saw this during the pandemic and we are seeing it now during this cost-of-living crisis.

Recommendation 9: Governments and universities must ensure that international students have access to safe and affordable housing.

7. Secure work and fair pay and conditions for staff

Unionised university staff across Australia are fighting to end crushing workloads and the exploitation of casual workers, and for secure work, fair pay and conditions. They should not have to fight tooth and nail for the very basic right of fairer working conditions and pay that keeps up with inflation. University vice-chancellor salaries are at record highs while tens of thousands of staff are in insecure and casualised work, left unable to plan for their futures, while wage theft has become widespread and systemic. This trend needs to be addressed and reversed.

⁸ [The Guardian. Australians who lost welfare under 1990s student loan scheme have cause for class action, expert says \(14 May 2023\)](#)

⁹ As above

¹⁰ [The Hon Larry Anthony MP. 'Poorly targeted loan Scheme to end' \(Media Release, 24 April 2003\)](#)

Recommendation 10: Boost government funding to universities and link it to ensuring increases in secure, permanent and ongoing employment for staff

Recommendation 11: Cap vice-chancellor salaries

Recommendation 12: Require universities to report casual employment data, including the number of casual employees and the cost of executive salaries.

Recommendations

1. Abolish indexation on all student debt.
2. Raise the minimum repayment income to the median wage.
3. Raise the stipends for PhD students to at least the minimum wage.
4. Extend paid parental leave to PhD students.
5. Lower the age of independence from 22 to 18, and raise student social security payments above the poverty line to at least \$88 per day.
6. Students should be paid when undertaking mandatory unpaid placements.
7. Reverse the fee hikes and funding cuts introduced as part of the Job-Ready Graduates Scheme.
8. The SFSS debt should be completely wiped.
9. Governments and universities must ensure that international students have access to safe and affordable housing.
10. Boost government funding to universities and link it to ensuring increases in secure, permanent and ongoing employment for staff
11. Cap vice-chancellor salaries
12. Require universities to report casual employment data, including the number of casual employees and the cost of executive salaries.

Conclusion

I thank the Panel for its vitally important work and would be very happy to assist further. I look forward to receiving the Panel's interim report on priority actions.

Yours sincerely



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