



**A Response to the Australian Universities Accord  
Interim Report**

**Presented by The National Union of Students**

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## **Executive Summary**

The National Union of Students (NUS) was overall happy to see our priorities listed as considerations in the Universities Accords Interim Report. As an organisation, our primary focus is on ensuring students are supported while they study and ensuring that they have the best chance to succeed in their degree no matter their identity or economic background. It was welcoming to see issues such as student poverty, student voice and institutional governance considered in the interim report but we need to see tangible commitments in the final report to ensure students are safe & supported in their studies.

## **Top Priorities**

### **Cost of Living and Financial Barriers to Study**

The largest issue facing students and the main component of our submission has been the cost of living while studying. Compared to our European counterparts, our support and welfare systems are severely lacking. In 2020-21 there were 121,000 students who wanted to enrol in Higher Education but could not due to financial barriers.

An inadequate welfare system means that low-SES students, and those who need to move from regional areas, need to work countless hours in order to just pay the bills. The NUS hears stories from students every day who have to choose between showing up to class or taking that extra shift at work to keep a roof over their heads, this leads to poorer outcomes.

Expanding Centrelink access by lowering the age of independence to 18 and lifting the rate above the poverty line are key recommendations that need to be seen in the final report. Furthermore, the government must tailor policy and payments so that no student needs to work more than 24 hours a week so that they can devote sufficient time to their education.

Unpaid placements are a requirement for many degrees in Australia. This is an exploitative process where students have to give up paid employment to work hundreds of hours a semester for free. How are students expected to live when they have to give up paid employment to do unpaid work? Students are expected to support themselves through this period, often for 2-3 months just living off their savings. This is an unrealistic expectation, especially with the rising cost of living and the massive increase in rents across the country. Working with state governments and employers to increase the number of paid places is essential. For placements where this is not possible, the federal government must introduce a stipend outside of the current welfare systems to support these students

### **Interim Report Considerations NUS Supports (see Explanatory A and B):**

1. Changing income support payment arrangements, including eligibility tests around independence, part-time study and unpaid work placements (page 75, a)
2. Reducing the cost of living barriers to higher education through improved income support measures and more opportunities for part-time study (page 74, g)
3. Providing appropriate financial support to students on compulsory placements, particularly to address urgent skills shortages (page 63 b)
4. Improving WIL and placements by providing participating students with better incentives and financial support (page 63 k)

## **Student Voice and Institutional Accountability**

Students are the largest stakeholder in the higher education sector and their voice is essential for a well-run system. At the moment students do not feel like their voice is being heard and universities have a reputation of being billion-dollar unaccountable institutions.

Student Unions are the primary body that their voice is carried through; they are run by students, for students, and are best informed and equipped to represent the interests and needs of the student body. They also provide vital support services on campus and act to hold universities to account when they fail to act on issues such as sexual assault. However, their futures and funding is always uncertain. Each year student unions must negotiate with university management to receive funding. This creates an unequal power dynamic that limits student unions' autonomy in holding universities accountable.

For student voices to be empowered Student Unions need secure, legislated minimum SSAF funding and, to be free from the risk of reprisal. They must be embedded within existing structures of universities such as University Councils and Academic Boards.

A national student charter is an essential step in ensuring students have guaranteed rights pertaining to their education, safety & well-being on campus. It must prioritise student safety and hold Universities accountable for how students are treated on their campus through enforceable actions by either TEQSA or the Student Ombudsman.

The release of the NSSS in 2022 showed very little change on issues such as the prevalence of sexual assault at universities even after 5 years of campaigning by student leaders the report was full of stories such as “I was more traumatised by the reporting process than the assault”.

TEQSA and universities have shown they are unaccountable to students, TEQSA especially has shown it refuses to use its regulatory powers to ensure universities are held to any standard on student safety. Whether TEQSA or a new Commission there must be a well-resourced, easy-to-navigate body that is able to handle student complaints and sanction universities who show negligence on matters that are affecting students.

### **Interim Report Considerations NUS Supports (see Explanatory C, D and E):**

1. Creating new structures and empower existing ones for students to advocate for their interests in institutional and national-level decision making (page 129, b)
2. Providing a greater percentage of the Student Services and Amenities Fee to student unions to ensure the support and representation of students. (Page 129, e)
3. Developing a national student charter, in collaboration with domestic and international students, ensuring a national commitment and consistent approach to the welfare, safety and wellbeing of all students (page 129, a)
4. A Tertiary Education Commission which could protect and promote student voices, in light of the new, student-focussed vision for the sector, including the role for a new Equity Commissioner (page 120, d)
5. Strengthening the role for the Commonwealth Ombudsman in student complaints, for both international and domestic students (page 129 d)
6. Reviewing the TEQSA Act to ensure the agency is fit for purpose in light of other changes in this Review (page 120, a)

## **Young Australian and Debt**

Young Australians are looking at being the most indebted generation in history. With the average house price at over a million dollars in our major cities, average HECs debts are up 191% in a decade and indexation climbing to the highest point since 1990. The NUS vehemently opposes any system that places young Australians further into debt including ICLs.

The Student Financial Supplement Scheme (SFSS) operated from 1993 to 2003. There is still \$2bn of debt from more than 140,000 former students who signed up for it. The scheme was scrapped, 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.

The HELP system does not live up to the social licence that was promised when it was first introduced. On introduction, the cost of a degree was \$4,300 pa CPI adjusted. Today are paying up to \$15,140 per year with some degrees taking up to 44 years to pay off. NUS supports the repealing or replacement of JRG as long as it leads to cheaper degrees for students. The government must contribute more to the cost of degrees or face a growing part of society burdened with increasingly large student debts that are taking longer to pay off.

We oppose any increase to International Student fees that do not go directly towards supporting their education or welfare. These students already pay 3-4 times the rate annually for domestic students. We believe that this levy would entrench the current system whereby international student fees are used to cross-subsidise research. The Australian government needs to fully fund research and can not rely on students to do this.

### **Interim Report Considerations that NUS Opposes:**

1. Exploring the advantages and disadvantages of ICLs to help students meet living expenses (page 75, b)
2. Examining a funding mechanism such as a levy on international student fee income. Such mechanisms could provide insurance against future economic, policy or other shocks, or fund sector priorities such as infrastructure and research. (page 129, l)

### **Interim Report Considerations for further discussions (see Explanatory F):**

3. Student contributions at different levels, noting certain courses lead to higher potential earnings. (page 145, a)
4. HELP arrangements, including moving to a marginal repayment rate and changes to indexation. (page 145, b)

## About The National Union of Students

The National Union of Students (NUS) is the peak-body organisation advocating for student values at the national level. We were founded in 1987 to represent all post-secondary students across Australia, including vocational, higher education, international and domestic students. We are the peak representative and advocacy body for almost 1 Million students. We seek to further the voice of students in the state and federal level government.

NUS has a long history of fighting for progressive reforms in the University and tertiary education sector that would enable students to have access to an education system that values them based on their passions, not the amount of money in their bank account.

The NUS is established on the principles of student unionism and our primary objectives include amongst many others, working on the interests of students in quality of education, academic freedom, access to education, social security, health and welfare.

### Key Contacts

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## **Explanatory A: A Reformed Welfare System**

As Australia moved to enable 55% of the population to complete tertiary education it will need to provide more support so that low-ses, regional and outer suburban students have the same opportunities as wealthier inner-city families. In 2020-21 the Department of Education estimates there were 121,000 students who wanted to enrol in Higher Education but could not due to financial barriers. The most important component of our submission has been addressing the cost of living while studying and reforming the broken Commonwealth income support system.

An inadequate welfare system means that low-SES students, especially those who need to move from regional areas, need to work long hours to afford rent, food, and other expenses. This can make it difficult for them to devote sufficient time to their studies, leading to lower grades and increased stress levels. Students who work more than 20 hours per week are at risk of lower grades and higher drop-out rates. The NUS hears stories from students every day choosing between showing up to class or taking that extra shift at work to keep a roof over their heads.

The current Centrelink system locks out 450,000 young Australians from youth allowance, who are under the age of independence which Centrelink defines as 22 years old. The current parental means test when not counted as independent is a combined income of \$110,000 per year with your payments being deducted by 20c per dollar for a combined income of over \$58,000 per year. This is not a large amount of money and when factors such as divorced parents or, raising siblings are taken into account this is not enough disposable income for a parent to financially support a student. This creates financial insecurity and hinders their ability to complete a higher education degree.

For all 174,000 students on Youth Allowance payments, the rate of Government financial support they are receiving is below the poverty line. The current maximum daily rate of Youth Allowance, if you're declared independent and are single with no children, is \$14,351 per annum, with an additional rate of \$4,008.60 per annum for rent assistance if you're eligible, totalling \$18,359.60 per annum income. The official Henderson poverty line amount for a single person with housing costs is \$31,786.04 per year, meaning that even at the independent rate of payment with rent assistance students receive income less than 60% of the poverty line.

If those students then choose to work and earn over \$480 per fortnight they are subject to the highest effective tax rate in Australia of 69c (50c deduction + 19c tax rate) per dollar earned. This increases to 79c per dollar above \$575 per fortnight. This high effective tax rate reduces the financial incentive for students to work and can make it difficult for them to cover their expenses. By increasing the rate and reducing the income deductions for working students, they will be able to earn more and continue their studies.

## **Recommendations**

- 1) Increase parental means threshold and include more generous allowances for those who live out of home.
- 2) Reduce Centrelink deductions in line with realistic work expectations
- 3) Increase the rate of Youth allowance to above the poverty line (to at least \$88 per day)
- 4) Increase rental assistance in line with average market rates: The current rental assistance rates for students are not keeping up with the market rates for rent.
- 5) Tailor government policy to reduce working hours: Students who work more than 20 hours per week are at risk of lower grades and higher drop-out rates.



## **Explanatory B: Ending Unpaid Placements**

Unpaid placements are a requirement for many degrees in Australia. This is an exploitative process where students have to give up paid employment to work hundreds of hours a semester for free. Often having to do up to one thousand hours in industries such as social work, nursing and teaching. How are students expected to live when they have to give up paid employment to do unpaid work? Students are expected to support themselves through this period, often for 2-3 months just living off their savings. They also face barriers just to access their placements such as paying \$20 a day for parking at major hospitals.

This is an unrealistic expectation, especially with the rising cost of living and the massive increase in rents across the country. Students in these positions don't just need help in order to pay the cost of living but also Working with state governments and employers to increase the number of paid places is essential.

At the moment in medical courses, Universities collect course fees from students for placement units and then pay these to the state government to host students for placements

Medicine = \$1,566 per EFTSL

Nursing = \$67.78 per 7.6 hr shift

Allied Health = \$38.27 per 7.6 hr shift

This means that not only are state governments getting free labour but are also charging universities for this. Tertiary student placements need to be brought in line with TAFE apprenticeships. They need to be paid fair Award training wages that cover their cost of living.

For those internships that are not paid, the government should expand welfare programs to provide a stipend to these students equivalent to at least the minimum wage. This can not be done through Youth Allowance as the rates are too low for any students to live off of and there are huge gaps in which students can access this program in the first place.

### **Recommendations**

- 6) Ensure placements are paid either by the employer or a new government welfare stipend.
- 7) Work with state governments to pay students who are undertaking placements in healthcare, social work and teaching.
- 8) Bring Tertiary placements under apprenticeship awards and amend the Fair Work Act, to ensure all vocational placements are paid at a rate of at least minimum wage.

## Explanatory C: Student Voice and Unionism

Students are the largest stakeholder in the higher education sector and their voice is essential for a well-run system. At the moment students do not feel like their voice is being heard and universities have a reputation of being billion-dollar unaccountable institutions.

Student Unions are the primary body that their voice is carried through; they are run by students, for students, and are best informed and equipped to represent the interests and needs of the student body. Student organisations are run by students, for students, and are better equipped to represent the interests and needs of the student body. Returning SSAF to student organisations allows for greater representation and advocacy for students.

Student Unions provide vital support services on campus including independent advocacy, financial aid, legal services and wellbeing programs like food banks and act to hold universities to account when they fail to act on issues such as sexual assault. The administration of student-run clubs and societies, volunteering programs, leadership opportunities and social events are all the responsibility of strong student unions. However, their futures and funding is always uncertain.

Kate Ellis released a report in 2008 *The Impact of the Introduction of Voluntary Student Unionism on Universities and their Students in Australia*. The report suggests that the introduction of VSU has had a negative impact on the provision of services and amenities for Australian university students, as well as their ability to participate in university governance and decision-making.

Currently, the distribution of SSAF to student organisations is uneven. The following is a [table of universities' allocation of SSAF to student organisations](#). This table shows that in general students at, larger, wealthier metropolitan campuses have managed to keep greater control of their SSAF revenue versus technical and regional universities.

Average SSAF Allocation to Student Organisations	
Top - Australian National University	64.1%
WA Universities	50% - Legislated
Group of Eight	48.3%
National Average	31.1%

An example of this can be seen in Western Sydney University which only distributes 6.9% of its SSAF to student representatives while the University of Sydney distributes 61.8%. We believe that students in Western Sydney deserve the same opportunities as those who go to the University of Sydney.

Each year these organisations must negotiate with university management to receive funding. These negotiations create an unequal power dynamic that limits student organisations' autonomy in holding universities accountable. It also makes it difficult to engage in long-term contracts and give staff long-term job guarantees as the organisation does not know if their position will be funded for the following year.

Some universities no longer have independent student organisations with student representation being relegated to university-run SRCs. Key requirements for an independent student organisation

- 1) A constitution as established under state law
- 2) The ability of the board to amend that constitution with the approval of their student members and without needing permission from the university council
- 3) A super-majority of directors are democratically elected students

An organisation such as the University of Melbourne Student Union or the RMIT Student Union meet all of these requirements. Tasmanian University and The University of Southern Queensland Student Guild have separate constitutions but have a majority of appointed staff on their boards and require permission from the University council to amend their constitutions. Organisations such as Western Sydney SRC and the University of Canberra SRC only meet requirement 3.

For student voices to be empowered, Student Unions need to be independent have secure, legislated minimum SSAF funding and feel free from the risk of reprisal. They must be embedded within existing governance structures of universities such as University Councils and Academic Boards. Only with a well-resourced independent organisation (rather than an advisory council) can students' voices truly be elevated within universities.

### **Recommendations**

- 1) Institute a national minimum rate in the SSAF legislation Of 100% that must be returned to student organisations
- 2) Mandate collection of SSAF from all on-shore students at a higher education provider including International and TAFE students.
- 3) Set a minimum rate of SSAF at 80% of the maximum rate for full-time students
- 4) To change SSAF legislation (higher education legislation amendment (student services amenities) act 2011)) to replace 'higher education provider', apart from 4 subsections p and q and, instead replace it with 'democratically elected independent student-run organisation'

## **Explanatory D: Priorities for Future Regulation of the Sector**

Currently, if students wish to appeal a decision they must go to their States ombudsman who can only investigate whether administrative processes and procedures are correctly followed. TEQSA & Universities have shown they are unaccountable to students, TEQSA especially has shown it refuses to use its regulatory powers to ensure universities are held to any standard on student safety. When queried at the start of 2023 by the National Union of Students on how TEQSA would respond if the sector went another 5 years without action on issues of sexual assault on campuses the best response TEQSA's policy team could derive was an individualised letter to each institution. That is not the response that you want to hear from a national regulator.

There must be a well-resourced, easy-to-navigate body that is able to handle student complaints and sanction universities that show negligence on matters that are affecting students. Rather than establishing a new body, we wish to see TEQSA's regulatory and complaints-handling powers expanded to those similar to Worksafe or ASIC and, the ability to investigate individual complaints. If empowered a TEQSA should also be the body under which a federal sexual assault taskforce should sit. This body should have the ability to issue financial penalties if institutions are not acting on issues such as sexual assault and other issues covered by the new student charter. It should also be able to mandate refunds to students if the quality of education does not meet standards.

A new National Tertiary Education Commission will provide a long-term strategy for the sector. For any new body, we need to see clearly defined roles and responsibilities. Often times when there is a cluttered ecosystem with multiple bodies and institutions involved each part shirks responsibility by claiming they are waiting for direction from or that it is another body's responsibility. With a new body the National Tertiary Education Commission we need to ensure that this does not happen

We also wish to see student voices included on the board of a new Commission this body should be established along a tripartite model where students, university staff and experts all have equal representation. VE, Undergraduate, International and Postgraduate students should be represented and appointed by their respective bodies the National Union of Students (NUS), the Council for International Students Associations (CISA) and the Council of Australian Postgraduate Associations (CAPA).

### **Recommendations**

- 1) Expand TEQSA's regulatory powers and responsibilities to those similar to Worksafe and ASIC. This should include the ability to issue fines and correction notices.
- 2) Implement the ability for TEQSA to handle individual complaints in relation to the quality of education, Higher Education Standards, student safety and breaches of the Student Charter
- 3) Ensure that there is peak student representation on the new Tertiary Education Commission

## Explanatory E: Student Priorities for a National Student Charter

A national **Duty of Care on Higher Education Institutions** is an essential step in ensuring students have guaranteed rights pertaining to their education, safety & well-being on campus. It must prioritise student safety and hold Universities accountable for how students are treated on their campus. We see this as a bill of rights for students. A legal mechanism that universities can be held accountable through enforceable actions by either TEQSA, the Tertiary Education Commission or the Student Ombudsman.

The release of the NSSS in 2022 showed very little change on issues such as the prevalence of sexual assault at universities even after 5 years of campaigning by student leaders. The report was full of stories such as “I was more traumatised by the reporting process than the assault”. It is essential that a Student Charter is created through cooperation with students and that prioritises student experience & safety.

Currently, students feel that Universities are unaccountable on these fronts. While TEQSA is meant to hold universities accountable against the Higher Education Standards they have shown a distinct unwillingness to enforce these standards. The standards themselves are not prescriptive enough and a student charter would fill in these gaps in rights and give an empowered national regulator a list of enforceable expectations.

The NUS recommends a student charter include key safety & welfare-oriented rights that any student must have on campus. These include but are not limited to:

- Ensure Higher Education institutions have a responsibility to student safety and anti-discrimination on campus by imposing a Duty of Care
- Ensure freedom of student & staff political expression
- Enshrine equal student participation at all levels of university governance
- Ensure a student union/guild/association exists on every campus
- Ensure Disabled students are supported on campus by placing a positive duty to provide reasonable accommodations that do not cause unjustifiable hardship and empowering a Disability Education Commissioner with the power to investigate and report on disability discrimination at all levels of education.
- Ensure students have accessible reporting methods for sexual violence and other forms of violence that occur on campus
- Ensure that student complaints are reported & acted on in reasonable time frames
- Guarantee a level of access to housing or support to access housing, especially for rural/regional & international students
- Ensure students have reasonable access to below-market welfare services such as
  - University Medical centres
  - Bulk billed GPs
  - On campus counselling
  - Free period products
  - psychiatrists/psychologists

Including the above, NUS recommended considering the ideas listed below during the process of creating a student charter.

## **Recommendations**

- 1) University policies reflect that student representation or participation in decision-making bodies affecting students is the rule rather than the exception. If students are affected by the decisions made by that body they should always be included in these decisions.
- 2) The Federal Government should establish a group of experts and students to develop the Duty of Care code imposed on universities. This group must seek out wide-ranging national consultation representing a diversity of socio-economic and POC backgrounds, gender and sexual identities and disabilities.
- 3) The Federal Government should empower TEQSA or establish a new body to act as a full regulator similar to Worksafe to resolve disputes between students and Higher Education institutions.
- 4) The Federal Government should allow the Commonwealth Ombudsman to hear and investigate student complaints against public and private Higher Education institutions.
- 5) Student organisations should be empowered by university management to create ongoing, collaborative projects aimed at training staff and students about student representation on committees and working groups.
- 6) Establish a body to make educational standards for students, especially for particular diverse groups. This process is to ensure all education policies are written with student welfare and diversity front of mind. This body should be established along a tripartite model where students, university staff and experts all have equal representation
- 7) That the government creates the position of a “student commissioner” to operate out of a regulatory body. This position would focus on the creation & implementation of policy aimed specifically at improving student experience & student voice on University campuses.

## **Explanatory F: A Future Funding Model**

### **Funding of the Sector**

The government should commit to increasing higher education funding from 0.65% to 1% of GDP which would amount to a total of \$23.7 billion a year. The government has reduced their funding to the higher education sector since 1995 where non-government sources of university funding equated to only 21.7%. In 2019 this sat at 43%.

A large portion of why we need 55% of Australians to hold a degree is the outsourcing of training since the 1970s. When you have someone working in a bank who finished a bachelor of health science issuing the same mortgages as a person with a bachelor of finance do they really need that degree to complete their role?

Employers are the group that profits the most from government-funded higher education and receive a substantially higher return than the graduate for each dollar the government spends. In order to best distribute the costs of higher education companies that require a percentage of their employees to hold a degree should have to pay a levy or payroll-style tax on the salaries of their employees. This is the fairest way to generate new funding for the sector while also incentivising companies to make sure they are only requiring the qualifications for employment that they actually need

### **Student Fees**

The National Union of Students believes that the Federal government should implement free undergraduate education for all students, as seen in the successful social democracies of Europe. This should be paid for by the organisations that benefit from the outsourcing of this training.

Young Australians are looking at being the most indebted generation in history with the average house price at over a million dollars in our major cities. HECs is contributing to this with the average debt up 191% in a decade and indexation climbing to the highest point since 1990. The HELP system does not live up to the social licence that was promised when it was first introduced. On introduction, the cost of a degree was \$4,300 pa CPI adjusted, today this rate sits at \$15,140 nearly four times this.

If a free education system can not be introduced a time-to-repay system is the best philosophy for student contributions. While more complicated than other systems this is a system that has the strongest relationship between earnings and repayment times. This is a fairer system that sees Australians indebted for the same amount of time no matter their course. This will see graduates in higher-paid fields such as medicine, law and engineering pay more than those in lower-paid fields such as nursing and teaching. These lower-earning fields also tend to be female-dominated which, while not solving, helps to balance out the gender imbalance of the current system.

While we understand that some change will result from the University Accords Process, the NUS vehemently opposes any system that places young Australians further into debt.

## **Recommendations**

- 1) The Federal Government increases higher education funding to 1% of GDP
- 2) The Federal Government explores a payroll-style tax to help fund the higher education sector
- 3) The Federal Government should implement free undergraduate tertiary education