



A Submission to the Australian Treasury

For

Pre-Budget 2022-2023

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The NUS welcomes the opportunity to present a submission for the 2022-2023 Federal Budget. We were founded in 1987 to represent all post-secondary students across Australia, including vocational, higher education, international and domestic students. We seek to further the voice of students at the levels of state and federal government. We submit this report considering student health and welfare to be integral to community health and welfare.

It is our position that a sustainable recovery from the Covid-19 pandemic will be led by proactive investment in student welfare and education, not the reactive fiscal policy which has characterised the past decade of federal budgets. This submission provides recommendations for leading such a recovery. We focus primarily on loosening restrictions on social welfare payments for students and undoing the deleterious effects of the Job-Ready Graduates Package.

More broadly, the NUS recommends the following:

- 1) The rate of Centrelink payments must be indexed to be at least equal to the Henderson Poverty Line.
 - a) This should be funded by increasing the marginal tax rate on Australia's highest tax bracket by 1 cent.
- 2) The Centrelink age of independence must be incrementally lowered to 18 years by 2025.
- 3) Students should be able to provide a statutory declaration or equivalent as evidence that they meet the requirements for Reviewable Independence for Youth Allowance.
- 4) The government must provide targeted funding to provide university students with free preventative dental, SASH support services, mental health care, and ambulance cover for university students.
- 5) International students must be included in this expanded funding.
- 6) The social engineering fee structures of the Job-Ready Graduates Package must be abolished.
- 7) Tertiary education must be made free to all students in a commonwealth supported place.
- 8) Universities must reinstate universal student unionism.
- 9) Until universal student unionism is achieved, students must only be charged an SSAF-equivalent if all funds are managed directly by student unions.
- 10) Student unions' discretion to allocate SSAF funds must not be restricted to basic service provision but expanded to include student activism and community-building work.
- 11) These recommendations should be funded by a 10% tax on offshore gas companies, as well as by redirecting funds currently being invested in fossil fuels by universities.

Poverty, Centrelink, and Medicare

The primary barriers to good health and wellbeing for Australian tertiary students are a product of the poverty enforced by punitive government social welfare regimes. Current models place adequate social welfare payments and basic medical care out of reach for many students. This is especially true for international students. In this section, we show how a combination of inaccessible and inadequate Centrelink payments, low youth wages, and unaffordable medical care impacts our students' long-term health and wellbeing.

The Henderson Poverty Line

The Henderson Poverty Line is a standard measure of the disposable income required to support the basic weekly needs of a household, indexed quarterly by the Melbourne Institute of Applied Economic and Social Research. At the most extreme, a person earning a weekly amount below the poverty line is at risk of malnourishment, serious illness, and homelessness. According to the most recent Henderson Poverty Line report, the following poverty line indicators potentially apply to NUS members:¹

- The average single person falls below the poverty line if they earn less than \$469.97 or \$579.59 per week, depending on their circumstances.
- The average couple falls below the poverty line if they earn less than \$665.71 or \$775.33 per week, depending on their circumstances.
- Singles with dependents must earn between \$634.45 and \$1213.95 weekly to stay above the poverty line, depending on their circumstances.
- Couples with dependents must earn between \$822.36 and \$1401.96 weekly to stay above the poverty line, depending on their circumstances.

Low and inaccessible Centrelink payments force many students well below the Henderson Poverty Line. In tandem with under-funded public health provision, this forces many students to forgo health care or go into serious debt to access healthcare. This in turn has lifelong impacts on their health and wellbeing.

Centrelink Rates and Accessibility

Centrelink Rates, when students *can* access Centrelink payments, do not meet the minimum standards set by the Henderson Poverty Line. This exposes our members to short-to-long-term hardship.

- The typical weekly Centrelink payment for a single adult university student living away from home is \$268.70.²
- The typical weekly Centrelink payment for a partnered student is \$268.70.
- Single students with dependents are typically paid \$344.10 weekly.

¹ All poverty line figures sourced from Melbourne Institute of Applied Economic & Social Research 2021, *Poverty Lines: Australia – June Quarter 2021*, The University of Melbourne, Melbourne, https://melbourneinstitute.unimelb.edu.au/_data/assets/pdf_file/0005/3944264/Poverty-Lines-Australia-June-Quarter-2021.pdf.

² All Centrelink rates sourced from Services Australia 2022, *A Guide to Australian Government Payments: 1 January 2022 to 19 March 2022*, Department of Social Services, Canberra, pp. 24-25, <https://www.servicesaustralia.gov.au/sites/default/files/co029-2201.pdf>.

- Partnered students with dependents are typically paid \$292.55 weekly.

This results in the following disparities between Centrelink payments and the poverty line:

- Single students fall below the poverty line by up to \$310.89 every week.
- Partnered students fall below the poverty line by up to \$118.97 every week.
- Single students with dependents fall *at least* \$290.35 below the poverty line every week, as do their children.
- Partnered students with dependents fall *at least* \$118.63 below the poverty line every week, as do their children.

The situation is even more dire for students who are ineligible to access Centrelink. Eligibility for Youth Allowance depends on whether a student is deemed dependent or independent.³

- Every unmarried school-leaver is classed as 'dependent' for the entirety of their undergraduate studies if they begin a standard full-time Bachelor degree by the age of 19.

A student is deemed 'dependent' if they are under the age of 22 and not married or in a *de facto* partnership. A dependent student's eligibility for Centrelink is judged on the basis of their parents' income. Parents' combined income (or the income of the primary-caring parent in the case of a student whose parents do not live together) must not exceed \$56,137 p.a. If parental income exceeds this number, a student's potential Centrelink income is reduced by 20 cents for every dollar earned over this amount.

- A 'dependent' adult student living at home, who would otherwise be paid \$371.60 a fortnight by Centrelink to aid their studies, thus becomes effectively ineligible for any financial assistance if their parent/s' combined income exceeds \$57,995.
- A 'dependent' adult student living away from home to study but living in the same city as their parents' home, who would otherwise earn \$537.40 per fortnight, thus becomes effectively ineligible for any Centrelink assistance if their parent/s' combined income exceeds \$58,286.
- A student living away from home may apply for 'Reviewable Independence' status if: it is unreasonable for them to live at home; their parent/s can't look after them; they are an orphan; they are in state care; they are a refugee; or they meet stringent employment history guidelines.
- To qualify for Reviewable Independence, a student may need to provide proof such as 12 months' worth of payslips; a social worker's report; or a statement from their parent/s confirming violence in the home or extreme family breakdown (even in cases where the parents are implicated in the violence or family breakdown).

³ All guidelines on in/dependence from Services Australia 2021, *Youth Allowance for Students and Australian Apprentices: Who Can Get It*, Department of Social Services, viewed 20 January 2022, <https://www.servicesaustralia.gov.au/who-can-get-youth-allowance-for-students-and-apprentices?context=43916>.

According to ABS data on disposable household income, these ‘independence’ measures disqualify students from 80% of households from receiving government support throughout the course of their studies.⁴ Particularly concerning also are the impractical and potentially retraumatising standards of evidence for students seeking Reviewable Independence. **On this basis, we make three preliminary recommendations:**

- 1. The rate of Centrelink payments must be indexed to be at least equal to the Henderson Poverty Line.**
- 2. The Centrelink age of independence must be gradually lowered to 18 years by 2025.**
- 3. Students should be able to provide a statutory declaration or equivalent as evidence that they meet the requirements for Reviewable Independence for Youth Allowance.**

Youth Wages

Students who cannot access Centrelink payments are forced to take part-time work. At some universities, Arts students are expected to dedicate 40 hours a week to a combination of contact hours and private study for a full-time study load. This figure is even higher for STEM and Medical students. Even a student who works considerable hours at a paid job in addition to this full-time study cannot earn above the Henderson Poverty Line because wages for young people are permitted to fall below the national minimum wage.⁵

Age	Percentage of National Wage	Hourly minimum
21 and above	100%	\$20.33
20	97.7%	\$19.86
19	82.5%	\$16.77
18	68.3%	\$13.89
17	57.8%	\$11.75

A 17-year-old school leaver, unable to access Centrelink payments, could be paid well below the national minimum wage for the entirety of their Bachelor degree studies depending on their industry. In their first year, they could earn almost half the hourly rate of their older colleagues.

- Even if this student were to work a full-time job in addition to full-time studies, they could earn as low as \$446.50 per week. For a single student living out of home, this amount would *still* fall \$133.09 below the Henderson Poverty Line.
- A 19-year-old student working a more realistic, but still strenuous, 20 hours per week in addition to full-time study would earn as little \$335.40 per week. For a single student living out of home, this amount would *still* fall \$244.19 below the Henderson Poverty Line.

⁴ Australian Bureau of Statistics 2021, *Australian National Accounts: Distribution of Household Income, Consumption and Wealth*, ABS, viewed 20 January 2022, <https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-distribution-household-income-consumption-and-wealth/latest-release#data-download>.

⁵ All youth wage figures from Australian Unions 2022, *Minimum Wage: Learn About Your Minimum Wage Entitlements*, Australian Unions, viewed 21 January 2022, <https://www.australianunions.org.au/factsheet/minimum-wages/>

Not only has the current Centrelink model proved wildly inefficient and inaccessible, but the private job market is also structured in such a way that students who cannot access Centrelink still risk being forced into poverty by pay scales which fall far below the national minimum wage and the Henderson Poverty Line. **For this reason, we recommend the following:**

- 1. The government must raise the minimum wage for all university-aged workers to 100% of the standard national minimum wage.**

In the following section, we show how student poverty – exacerbated by the Centrelink and youth wage issues outlined above – contributes to poor health outcomes for students.

A Medicare for the 21st Century

The poverty induced by exploitative Centrelink and minimum wage models contributes to poor health outcomes for students in the short-to-long term. In the case of international students, we note the following with concern:

- International students are not covered by Medicare, despite paying tax on their Australian income. (There is an exception to this rule for students from high-GDP countries such as Sweden, Norway, and Belgium, who have reciprocal healthcare agreements with Australia).⁶
- International students must buy Overseas Student Health Cover (OSHC) from a private provider as a condition of their visa. This can potentially cost thousands of dollars over the course of a degree.
- Standard OSHC does not cover dental, optical, or physiotherapy.

For domestic students, Medicare does not cover dental treatment, optical and hearing aids, or ambulance services. In addition, more than 60% of Consultant Psychiatrist and Clinical Psychologist services charge a co-payment on top of the amount subsidised by Medicare. Currently, Medicare only covers a limited number of consultations with a mental health professional in a calendar year.⁷

Mental Health Care: New Zealand's Response

The provision of mental health care for students has become even more pressing as the Covid-19 pandemic continues to unfold. After pressure from student representative groups, the New Zealand Government affirmed the importance of student mental health care in 2020 when they committed to providing free mental health care services in universities.

The scheme involved the following:⁸

⁶ All OSHC figures from Commonwealth Private Health Insurance Ombudsman n.d., *Overseas Student Health Cover*, Australian Government, viewed 21 January 2022, https://www.privatehealth.gov.au/health_insurance/overseas/overseas_student_health_cover.htm.

⁷ Australian Department of Health 2010, 'What Has Been the Rate of Services Provided and Costs of Better Access Services Overall?', in *Evaluation of the Better Access to Psychiatrists, Psychologists and GPs through the Medicare Benefits Schedule Initiative*, online publication, <https://www1.health.gov.au/internet/publications/publishing.nsf/Content/mental-ba-eval-b-toc~mental-ba-eval-b-4~mental-ba-eval-b-4-2>; Services Australia 2021; *Better Access Initiative*, Department of Social Services, viewed 20 January 2022, <https://www.servicesaustralia.gov.au/better-access-initiative-supporting-mental-health-care#a3>

⁸ All figures from New Zealand Government 2020, *300,000 Students to Benefit from Free Mental Health Services*, 11 July, viewed 23 January 2022, <https://www.beehive.govt.nz/release/300000-students-benefit-free-mental-health-services>; and Lewis, O

- The equivalent of AU\$23.6 million funding.
- To finance access to primary mental health and addiction services for students with mild to moderate mental health and addiction needs, but who do not meet the criteria for specialist mental health services.
- To address the mental health needs of 300,000 tertiary students (roughly the total number of students enrolled at public universities in New Zealand – including international students).

An equivalent investment as a proportion of government revenue in Australia would comprise the following:

- AU\$101.8 million funding.
- To address the mental health needs of 1.3 million students (roughly the number enrolled at public universities in Australia – including international students).
- This would result in almost the exact same amount of per-student funding for mental health services as the New Zealand initiative.

An equivalent investment as a proportion of GDP in Australia would comprise the following:⁹

- AU\$146.4 million funding.
- This would amount to almost 150% of the per-student funding available under the New Zealand model.

The disparity in equivalent proportions of government revenue and equivalent proportions of GDP is due in part to Australia's tax breaks for fossil fuel companies. Fairer tax models, some of which are outlined in the final section, would bring Australia's revenue-to-GDP ratio in line with New Zealand's. With an equivalent investment in universities relative to GDP, the Australian Government could provide university students with not only mental health support but also preventative dental check-ups, SASH support services and ambulance cover. Below, we outline the harms that our members continue to suffer for as long as dental care remains privatised.

2021, 'Where is the Mental Health \$25 million we Promised Our Students?', *Newsroom*, 23 February, viewed 24 January 2022, <https://www.newsroom.co.nz/disappointment-over-student-mental-health-promises>.

⁹ GDP and revenue comparisons are drawn from Hawkins, P 2020, *Australian Government Revenue*, Parliament of Australia, viewed 25 January 2022, https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview202021/AustralianGovernmentRevenue#:~:text=Total%20Australian%20Government%20revenue%20in,and%20the%20bushfires%20in%202020; New Zealand Treasury 2021, *Revenue and Expenditure*, New Zealand Government, viewed 25 January 2022, <https://www.treasury.govt.nz/information-and-services/financial-management-and-advice/revenue-and-expenditure#:~:text=Total%20Crown%20revenue%20for%20the,the%202019%2F20%20financial%20year>; and Reserve Bank of New Zealand 2021, *Real GDP*, viewed 25 January 2022, <https://www.rbnz.govt.nz/statistics/key-graphs/key-graph-real-gdp>.

The Harms of Inaccessible Dental

We have detailed above how our members are being forced to fall hundreds of dollars below the poverty line every week. Their financial situation prevents them from accessing dental health services, which are not covered by Medicare and can cost up to \$100 for a check-up.¹⁰ Our members also cannot feasibly afford quality optical or hearing aid products, nor the co-pay for most mental health services. For many students working on youth hourly rates, paying for even one of these services could consume well in excess of half their weekly income, and a life-saving ambulance trip could send a student into insurmountable debt.

The risks are not only financial. Students on incomes below the poverty line, students unable to afford insurance, and international students are at a significantly increased risk of life-long poor oral health. Limited access to oral health in early adulthood generally results in limited use of dental services across a lifetime. People forced into long-term poor oral health are susceptible to tooth decay and gum diseases.¹¹ These can result in:

- Tooth loss.
- Reduced functionality of the mouth, making basic functions like eating extremely challenging.
- Compromised nutrition due to reduced mouth functionality.
- Restricted participation in work, study, and social life due to impaired speech and a lack of self-esteem about one's appearance after losing teeth or contracting gum disease.

According to the Australian Institute of Health and Welfare (AIHW) untreated dental conditions can result in:

- Diabetes.
- Stroke.
- Oral cancers.
- Lung conditions.
- Cardiovascular disease.
- Adverse pregnancy outcomes.

The AIHW estimates that in 2017-2018 alone, about 72,000 hospitalisations for conditions directly relating to tooth pain and gum disease would have been prevented with earlier treatment. This figure does not include secondary conditions such as diabetes and oral cancers. The number of hospitalisations for

¹⁰ Victorian Transport Accident Commission 2021, *Dental Fees*, VTAC, viewed 25 January 2022, <https://www.tac.vic.gov.au/providers/invoicing-and-fees/fee-schedule/dental>.

¹¹ Unless otherwise noted, dental health facts are drawn from Australian Institute of Health and Welfare 2017, *Dental and Oral Health Report*, AIHW, online publication, <https://www.aihw.gov.au/reports-data/health-conditions-disability-deaths/dental-oral-health/overview>.

preventable dental conditions has been steadily rising since 2010, and the rate of yearly hospital admissions for such conditions has consistently been highest for people of university age.

Moreover, access to dental health is central to overall well-being. A 2021 study¹² found that deferring both GP and dental visits were indicators of lifelong poor health. In addition, deferring visits to a dentist because of unaffordability was associated with an increased risk of poor self-rated health as well as poor objective scores on physical health and mental health scales over a lifetime. The health impact of deferring dental treatment was far greater than the impact of deferring a physician visit.

Forced poverty due to insufficient and unobtainable Centrelink, low youth wages, and privatised basic health services culminate in lifelong poor health for Australian university students. This is not a system fit to underpin Australia's recovery from the Covid-19 pandemic, nor is it fit to support Australian students further into the future. **For this reason, we recommend the following:**

- 1. The government must provide targeted funding to provide university students with free preventative dental, mental health care, and ambulance cover for university students.**
- 2. International students must be included in this expanded funding.**

As the issues outlined in this section are comorbid, so too must our recommendations be implemented in tandem. Taking them in isolation will not address the broader systemic issues outlined in this submission.

Long-term student poverty is inherently linked to student debt and weak student activism. To address those issues, we now turn to the Job-Ready Graduates Package and the Student Services and Amenities Fee.

¹² Jatrana, S and Crampton, P 2021, 'Do Financial Barriers to Access to Primary Health Care Increase the Risk of Poor Health? Longitudinal Evidence from New Zealand', *Social Science & Medicine*, vol. 288, online publication, <https://doi.org/10.1016/j.socscimed.2020.113255>; Northridge, ME, Kumar, A and Kaur, R 2020, 'Disparities in Access to Oral Health Care', *Annual Review of Public Health*, vol. 41, pp. 513-35, <https://doi.org/10.1146/annurev-publichealth-040119-094318>

Job-Ready Graduates and the SSAF

In June 2020, the Morrison Liberal Government announced the delivery of the Job-Ready Graduates Package. It was ostensibly designed to guide universities towards economic recovery after the losses incurred by the closing of Australia's borders and the subsequent drop in international student enrolment caused by Covid-19.¹³ This was in conjunction with a \$1.2 billion 'Research Package' investment in the research sector. The NUS welcomes all aid delivered to university staff and students in good faith. However, the strings attached to the Job-Ready Graduates Package make it clear that it is a short-sighted and cynical scheme which will not benefit students.

The Job-Ready package reduces the value of tertiary education to its ability to produce workers in key industries. Additionally, the research funding provisions of the scheme tie university funding to the capacity of research to return profits for 'industry partners'. Universities are more than outsourced job training department for big businesses, and they should not be forced to function as research assistants at the beck and call of corporations. The NUS is committed to developing universities whose primary purpose is encouraging critical enquiry and reflexive learning. Responsible universities will equip students with skills to be competitive in the job market, but their primary teaching function should be to offer students the tools to become responsible citizens, and their primary research function should be to act as our society's critical conscience, not its technology development team.

Below, we outline why the internal logic of the Job-Ready Graduates Package is riddled with contradictions. However, even if the Job-Ready scheme were to achieve its stated aims, the NUS maintains that its philosophical premises are fundamentally at odds with a healthily functioning democratic society.

Job-Ready Graduates

The core tenets of the Job-Ready scheme are as follows:

- Increasing the number of STEM, Health and Education graduates is a national priority in recovering from the Coronavirus pandemic.
- A growing youth population necessitates more funded university places (some estimates suggest that by 2030, there will be 40,000 more students entering tertiary education than in 2020¹⁴).

As such, the Job-Ready Graduates Package injected \$18 billion into the tertiary education sector under the following conditions:

- To "benefit students and the future job market", the funding must be used to heavily subsidise education in areas of national priority.
- The funding must generate expanded capacity for Commonwealth Supported places in areas of national priority.

¹³ Unless otherwise noted, all Job-Ready figures are from Department of Education, Skills and Employment 2021, *Job-Ready Graduates Package*, Australian Government, viewed 22 January 2022, <https://www.dese.gov.au/job-ready>.

¹⁴ Hunter, F 2020, "Five ANUs, two UNSWs': Unis Not Ready for Looming Costello Baby Boom', *The Sydney Morning Herald*, February 27, viewed January 24 2022, <https://www.smh.com.au/politics/federal/five-anus-two-unsws-unis-not-ready-for-looming-costello-baby-boom-20200227-p544yq.html>.

In addition, the \$1.2 billion Research Package was delivered via a series of sub-schemes which included the following condition:

- Research undertaken via the *Strategic University Reform Fund* must correspond to areas of government priority.

In the first instance, we are wary of the government's commitment to the study areas of national priority, which experts say are liable to change without notice. Secondly, directing Job-Ready funding towards areas of national priority necessarily means directing this funding away from fields which a partisan government decides are unimportant. Whereas in the past university pricing had been based on post-graduation returns on investment, the Job-Ready scheme tries to engage in social engineering via price fixing:

- A student studying Agriculture – an area of national priority under Job-Ready – before the scheme's implementation would pay up to \$9,698 in yearly fees for a full-time study load. With the Job-Ready increase in Commonwealth contributions for priority areas, the student's contribution dropped to a maximum of \$3,950 p.a.
- A student studying Politics or Sociology would previously have contributed \$6,804 p.a. Under Job-Ready, this figure increased by 113% to a yearly contribution of \$14,500.
- A Humanities and Social Science student stands to complete an undergraduate degree saddled with \$43,500 worth of debt: 3.7 times that of a student in an area of national priority.
- Throughout the smoke and mirrors of discounts and price hikes, per-student government funding for 'priority' courses like Engineering and Science will actually *decrease* overall by \$2,759 under Job-Ready.¹⁵

From the outset, the Job-Ready Graduates Scheme was clearly designed to bring universities in line with government policy and restrict the intellectual independence which has long been central to NUS members' universities. Whether requiring research to be dictated by government policy or discouraging students from developing their critical socio-political thinking skills in the Social Sciences and Humanities, the Job-Ready Graduates Package is designed for short-term economic gain, not to strengthen our universities.

Our concerns about government regulation of universities notwithstanding, Job-Ready is unlikely to meet its stated aims of increasing the number of students who study and complete tertiary education in areas of national priority. Students choosing a course of study take into account the cost of their course, but this is not the primary determiner of their final choice. Students are primarily driven by intrinsic motivation in their choice of study program – and this is particularly true of students who follow through a course to completion.¹⁶

¹⁵ McCarron, K 2020, 'Jobs-Ready Package: A Pea & Thimble Trick', *Advocate: Journal of the National Tertiary Education Union*, vol. 27, no. 2, pp. 18-19.

¹⁶ Perera, HN and McIlveen, P 2018, 'Vocational Interest Profiles: Profile Replicability and Relations with the STEM Major Choice and the Big-Five', *Journal of Vocational Behaviour*, vol. 106, pp. 84-100.

When students *do* choose a course based on job prospects or market needs, this is almost always after consultation with a careers guidance counsellor. Students who then complete their degrees often attribute their perseverance to university support services such as mental health counselling and study support.¹⁷ These student support facilities, which do much of the work Job-Ready claims to do, are funded by the SSAF and should be managed by student unions. We can only conclude that students who happen to be intrinsically motivated to study outside areas of national priority are needlessly financially burdened by a punitive fee structure which does not serve its purpose.

For these reasons, the Job-Ready Graduates Package is ill-suited to serve the pressing needs of students and the institutions in which they study. **In response, we recommend the following:**

- 1. The social engineering fee structures of the Job-Ready Graduates Package must be abolished.**
- 2. Tertiary education must be made free to all students in a commonwealth supported place.**

We turn now to the specifics of the SSAF and argue that control of student representation, student money, and student services must be returned to students themselves.

The SSAF

It is currently illegal for a university to force a student to join a student union or force them to pay a fee to a student union. However, universities may – and generally do – require students to pay a Student Services and Amenities Fee (SSAF), which funds services which were previously provided by student union fees. Money raised from the SSAF is used to fund:¹⁸

- Mental health services
- Legal services
- Financial welfare advice
- Careers guidance
- Student hardship grants
- Employability and job skills workshops
- Networking events
- Student advocacy services

¹⁷ Daly, A and Lewis, P 2020, 'The Proposed Job-Ready Graduate Package: A Misguided Arrow Missing its Target', *Australian Journal of Labour Economics*, vol. 23, no. 2, pp. 1-22.

¹⁸ All SSAF facts and figures from Department of Education, Skills and Employment 2021, *Student Services and Amenities Fee*, Australian Government, viewed 20 January 2022, <https://www.dese.gov.au/higher-education-loan-program/approved-hep-information/student-services-and-amenities-fee>; and *Higher Education Support Act 2003* (Cth) 19-37 & 19-38.

- Student-led cultural events

As shown in the previous section, each of the services financed by the SSAF performs the functions that the Job-Ready Graduates Package aims – but will ultimately fail – to perform. The SSAF thus serves as a user-funded backstop for an expensive and likely ineffective government intervention.

However, as the legislation surrounding the SSAF currently stands, the allocation of the SSAF to student services is controlled by university management. Under this system, corporate university management also dictates the proportion of the SSAF directed towards student unions. Importantly, the allocation of fees is at the discretion of the university, and universities are not legally required to fund student unions. This places student unions – the only student-led bodies in universities whose purpose is to represent student interests – at the mercy of university budgetary discretion. Funding for support services is also at the university's discretion. This leaves vital student support services in the same precarious position as student unions.

The SSAF is currently capped at \$313 for full-time students, and universities generally charge this maximum amount. Part-time students can be charged up to 75% of the full-time student SSAF amount. Over the course of a 3-year Bachelor degree, the SSAF represents almost \$1,000 extra expenditure on top of a degree which can potentially cost \$43,500. For the increasing number of students pursuing Honours and postgraduate study, the SSAF accumulates to almost \$2,000. It thus represents a serious investment for students – many of whom, as we show in other sections of this paper, regularly fall below the poverty line.

Current SSAF guidelines thus have the following effects:

- With universities controlling SSAF funds, student unions are pressured to prioritise their relationship with university management above student activism.
- This fundamentally undermines unions' ability to mobilise students to defend their rights and interests.
- The practical application and naming of the SSAF works to restrict student unions to service provision, taking away from their capacity as advocates for students' interests.
- Universities, in their position as final arbiters of SSAF allocation, may prohibit student union action that damages their corporate image or prohibit activism which they deem to be too 'political'.
- Students are barred from directly contributing to decision-making about the provision of key services.
- Consequently, universities may continue to privatise or seek profit from services which had been run on the basis of mutual aid and support when they were overseen by student unions. This has already been the case with the disappearance of partially subsidised food options on campus.

University management boards have repeatedly demonstrated that they cannot be trusted to organise education around students' best interests. Recent wage theft scandals at Sydney and Melbourne University, the University of Western Australia and UNSW have demonstrated that universities pursue profit first, education second. The University of Sydney has cumulatively repaid \$13 million in stolen wages, and the

University of Melbourne was recently forced to repay \$6 million dollars in stolen wages. A senate report recently described the issue of wage theft at public universities, which is fuelled by the hyper-casualisation of university work, as “systemic”.¹⁹ University tutors, who are NUS members’ primary point of contact throughout their studies, are routinely forced by universities to mark papers and provide student pastoral care without remuneration.²⁰ Staff welfare is central to high-quality education, and the NUS endorses National Tertiary Education Union activism against wage theft and casualisation. There is a crisis of confidence between universities and the students and staff whose money they manage. For this reason, in the absence of universal student unionism, the NUS is opposed to university management control of student funds.

A strong student union which is allowed to advocate on behalf of its members, speak truth to power, and which has autonomy over the allocation of student services funds is central to a productive educational environment. Indeed, it is central to a healthily functioning democracy. **To combat the counterproductive effects of the current SSAF framework, we recommend the following:**

- 1. Universities must reinstate universal student unionism.**
- 2. Until universal student unionism is achieved, students must only be charged an SSAF-equivalent if all funds go directly to student unions.**
- 3. Student unions’ discretion to allocate SSAF funds must not be restricted to basic service provision but expanded to include student activism and community-building work.**

Funding for Recommendations

The funding required to implement the recommendations in this submission can easily be sourced from a combination of public funds and university direct investment. Public monies can be sourced through redirecting funds from the ineffective Job-Ready Graduates Package, as well as tax reforms which would deliver a tax break to Australia’s lowest income earners. Direct investment from universities can be achieved by redirecting funds which are currently being invested in the fossil fuel industry.

Public Funds

We have shown in previous sections that Australian university students are acutely financially disadvantaged. The inefficient Centrelink system, underpaid youth work, and privatised medical care force many students to fall hundreds of dollars below the Henderson Poverty Line on a weekly basis. It is therefore a matter of urgency that the government deliver financial support to students from public funds.

In addition to the university healthcare funding model outlined in a previous section, the New Zealand Government provides an example of how this could be done. In 2018, New Zealand implemented free

¹⁹ Hare, J 2021, ‘Wage Theft is “Systemic”: 21 Universities Under Investigation’, *Australian Financial Review*, October 20, <https://www.afr.com/work-and-careers/education/wage-theft-is-systemic-21-universities-under-investigation-20211020-p591kw>.

²⁰ Duffy, C 2020, ‘University of Melbourne to Repay Millions to Staff After Decade-Long Underpayment Practices’, *ABC News*, August 5, <https://www.abc.net.au/news/2020-08-05/university-of-melbourne-exposed-in-decade-long-wage-theft-case/12519588>.

education for the first year of university study (capped at \$12,000).²¹ This funding was then expanded to also cover second-year study in 2021 and third-year study in 2024. The model has been implemented to decrease student debt and remove barriers to education for university and vocational training courses. In conjunction with social welfare support which is above the poverty line, free education allows students from diverse backgrounds to access tertiary education. It also lifts the burden of student poverty as students enter the workforce and begin to look to the future.

- In the first four years after graduation, free education returns up to \$10,500 to students which would otherwise be spent on HECS repayments.²²

The NUS believes that education should be free for all Australians as it is in New Zealand. As we have outlined in previous sections, Australia has failed to convert its comparably stronger per-capita GDP into government revenue. This could be addressed by taxing offshore gas companies.

As well as avoiding contributing their fair share in taxes, offshore gas companies are a major contributor to manmade climate change. Scientific consensus holds that fossil fuels are the primary driver of manmade climate change, which poses an existential threat to human life.

- Offshore gas companies in Australia do not pay tax. They are given \$278 billion (equivalent to 15.9% of Australia's GDP) in tax credits every year.
- A 10% tax rate on offshore gas royalties would generate substantial revenue which, if directed towards education, could fund the recommendations in this submission.²³

Universities and Fossil Fuels

Universities around Australia continue to make significant investments in the fossil fuel industry. Until 2019, the University of New South Wales held almost \$30 million worth of investments in fossil fuel companies (they have since divested only \$13 million). Similarly, the University of Sydney continues to hold \$22.4 million in fossil fuel investments.²⁴ Based on pre-Job-Ready fee scales:

- UNSW's fossil fuel investments *alone* could cover the maximum student contributions for 660 complete medical degrees across Australia.
- The University of Sydney's fossil fuel investments *alone* could cover the maximum student contributions for almost 1,100 complete nursing degrees across Australia.

²¹ Nikula, P-T and Matthews, KM 2018, 'Zero-Fee Policy: Making Tertiary Education and Training Accessible and Affordable for All?', *New Zealand Annual Review of Education*, vol. 23, pp. 5-19.

²² Faruqi, M 2018, *Fee Free University and TAFE: Greens Launch Transformational 5-Point Plan for Higher Education*, viewed 21 January 2022, <https://mehreen-faruqi.greensmps.org.au/articles/fee-free-university-and-tafe-greens-launch-transformational-5-point-plan-higher-education>.

²³ Ibid.

²⁴ All figures on university investment in fossil fuels from Goldrick, E 2020, 'Are Australian Universities Fighting Climate Change or Fuelling It?', *Overland Journal*, February 12, <https://overland.org.au/2020/02/are-australian-universities-fighting-climate-change-or-fuelling-it/>.

In completely divesting from fossil fuels, Australian universities would be following the lead of overseas institutions like the University of Oxford and Harvard University, as well as Australian institutions like La Trobe University and the Queensland University of Technology.

Divestment is also in line with student expectations: an NUS survey found that at least 68.2% of tertiary students want governments and universities to take strong action on climate change. Considering the sheer amount being invested in fossil fuels and the existential threat posed by climate change, the NUS recommends:

- 1. The recommendations in this submission must be funded by money reclaimed from universities' fossil fuel investments and a 10% tax on offshore gas company revenue.**

Conclusion

Under current models, Centrelink, Medicare, and youth wages are forcing university students into poverty and long-term illness. Since 2020, this has been exacerbated by the cynical and punitive debt structure of the Jobs-Ready Graduates Package. In the rare occasions where students can access Centrelink payments, these too often fall hundreds of dollars below the poverty line. Because of the reduced minimum wage for young workers, even students who take on unsustainable paid work hours in addition to full-time study cannot earn above the poverty line. This has flow-on effects on students' long-term health for as long as dental and mental health care services are not free for all students. Over a student's lifetime, these health effects are exacerbated by debts accrued as a condition of simply accessing education. The Job-Ready Graduates Package compounds these impacts in its mission to make universities into research offices for commercial industry. Under the current SSAF regime, student unions do not even have the power to provide support for or activism on behalf of students affected by the cynicism of this broader system. This report has offered a series of solutions, the most important among which include free education, an expanded Centrelink support system and free healthcare for university students, funded by divestment from fossil fuels and extremely moderate taxes on offshore gas companies. As the challenges facing students are mutually constitutive, so too must their solutions be adopted in concert: cherry-picking from these recommendations will not help students. The government must commit to tackling the entire spectrum of issues outlined in this report.