

SCIENCE & TECHNOLOGY AUSTRALIA

POLICY SUBMISSION

5 SEPTEMBER 2024

UNIVERSITIES ACCORD (STUDENT SUPPORT AND OTHER MEASURES) BILL 2024

Science and Technology Australia thanks the Senate Standing Committee on Education and Employment for the opportunity to provide input to the Universities Accord (Student Support and other measures) Bill 2024.

Science & Technology Australia is the peak body for the nation's science and technology sectors, representing 138 member organisations and more than 225,000 scientists and technologists. We connect science and technology with governments, business and the community to advance science's role in solving some of humanity's greatest challenges.

Notwithstanding limitations in considering more 'radical' or comprehensive changes that will have more significant benefits for students and the economy, such as offering fully-funding education for first-in-family to attend university and adequate income and housing support, we welcome this bill.

Science & Technology Australia recommendations

1. Science & Technology Australia recommends the Australian Parliament should pass this bill.
2. Science & Technology Australia recommends the Australian Government should lift the rate of Youth Allowance and other student income support payments, including the minimum PhD stipend, to better support students during their studies.

Changes to HECS-HELP indexation formula are sensible

The HECS-HELP loan scheme is the bedrock of equity in the Australian university system. This income-contingent loan scheme has supported millions of Australians to attend university and removes the barrier to attending university posed by upfront fees. As it is an income contingent loan, graduates repay their debt if and when they earn above a certain threshold – i.e. repayments are made when graduates can afford to make them.

However, in times of high inflation, the minimum repayment amounts on some debts are overshadowed by the indexation applied to the debt. The changes this bill makes to the indexation formula – including capping the rate to be the lower of either the consumer price index or the wage price index – are sensible and help mitigate the impact that high inflation rates have on student debts.

Adequate student income support measures will support greater equity

The Government has stated a clear goal to increase the rate of [university attainment to 55% of 25 to 34 year olds by 2050](#). This will require a significant uplift in the number of Australians attending university, including people from low-SES backgrounds and other diverse backgrounds who may not have previously seen university as part of their life and career pathway.

The changes this bill will make to HECS-HELP indexation calculations will support graduates in the process of repaying their HELP loans, and the introduction of payments to support students undertaking compulsory prac placements is a very positive step towards helping those students.

However, it must be acknowledged that the single biggest deterrent to university for students from low-SES backgrounds is the cost of supporting themselves throughout their study years, not the actual course fee debts.

Data clearly shows adequate financial support is key to enabling students to focus on their studies and thrive at university, rather than struggle to juggle competing demands of study and high levels of paid work to make ends meet. Data on student income support and completion rates compiled by the Department of Education clearly demonstrates that [receiving student income support is associated with higher completion rates](#) for all but the most advantaged groups of students. The biggest gains are concentrated in the most disadvantaged groups.

Science & Technology Australia calls on the Parliament and the Government to assess the adequacy of current student income supports, including the minimum stipend level for PhD students. Ensuring sufficient support for students will maximise their ability to engage in their learning – and remove a significant deterrent to taking on university studies. This is beneficial for individual students and the economy as a whole.

Fee-free university-ready courses can support a sustainable STEM workforce

For some students, university will not have been their immediate goal following compulsory schooling or have been seen as a viable pathway. Fee-free university-ready courses are an important pathway to support greater equity and access for students who may need greater academic preparation to be ready for university study.

Data shows that [alternative pathways](#) (rather than entering straight from secondary school) are a useful point of entry for students studying STEM disciplines (Natural and Physical Sciences, Engineering and Agricultural and Environmental). Enabling courses, such as fee-free university-ready courses, are an important component of these alternative pathways. Increasing access to university-ready courses will potentially help build the skilled STEM workforce needed for Australia's future prosperity.

[Our domestic STEM workforce needs significant growth](#) to be able to deliver on our net zero commitments like a Future Made in Australia, support our research and development (R&D) sector across industry and universities and drive existing, emerging and future industries like quantum computing, robotics, clean hydrogen, green metals and artificial intelligence (AI).

Please do not hesitate to contact Science & Technology Australia if we can help with further information or advice to the Committee.

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