

The University of Melbourne Student Union (UMSU) is proud to be an organisation committed to the promotion of free and accessible government funded education. We promote and defend the rights of students to education on the basis of equality, without regard to race, sex, age, disability, mental illness, economic circumstances or national or social origin.¹ To this end, we embrace the opportunity to submit to the Federal Government Review into Higher Education in Australia.

UMSU advocates public investment in higher education, and believes that the Commonwealth needs to commit more spending as a proportion of GDP on higher education. We believe that this is central to securing the future of the sector, and its role in the development of Australia's social and cultural structures and its national and regional economies. It is noted in the Discussion Paper that 'there is now less reliance on government funding and a greater reliance on student contributions and other more contestable sources of income.'¹ In our interactions with students, and our experience in supporting students in the educational and welfare issues that they face, we believe that such a shift has been detrimental to the student experience and the ability of all students to participate in higher education. In our submission, we shall concentrate on the issues that affect students directly – both when at university, and before they successfully enter higher education. It shall be argued that the increasing burden of private student contribution to higher education, coupled with insufficient levels and access to income support have resulted in inequity for all students to participate in higher education. Furthermore, we shall examine the impact of increased reliance on international student revenue to meet the funding shortfalls of the sector, and the lack of support for international students' welfare while studying, as well as inadequate opportunities once they graduate.

In making these statements, we would also like it to be acknowledged that UMSU feels that the emphasis placed on evidentiary submissions (both in the Discussion Paper and by the Review Panel) places unfair limitations on the ability of student organisations to participate in this significant Review. As a result of the previous government's Voluntary Student Unionism (VSU) Legislation, student organisations have been incredibly constrained in their ability to undertake research and do not have the resources to produce the detailed evidence-based submissions requested. Despite this, UMSU is confident in representing the views and experiences of the students at the University of Melbourne that have democratically elected us to do so. Unlike University administrators we are elected annually to represent the views of students, and as students, we have the most contact with, and understanding of their issues.

¹ Review of Australian Higher Education: Discussion Paper (2008). 13.

Meeting Labour Market and Industry Needs

Moving towards increased postgraduate (coursework) programs

UMSU believes that insufficient funding, and the increase in the market-based ideology of universities has created significant impediments to innovation and development of courses and programs in higher education.

The recent reforms at the University of Melbourne (commonly referred to as 'The Melbourne Model') illuminate the increasing pressure on universities to creatively devise opportunities for revenue derived from full-fee paying students. The move towards increased postgraduate coursework programs (particularly for professional and vocational degrees) has furthered the private contribution paid by students, while the pedagogical benefits remain to be proven. Following the discontinuation of Domestic Undergraduate Full Fee places, it can be presumed that without intervention in the form of increased public funding, such initiatives will become commonplace in bridging the funding shortfall. It is argued that this has the potential to be to the detriment of any pedagogical or other benefits to students, and will delay the entry of graduates into the workforce.

Furthermore, UMSU is concerned about access to such programs. At the University of Melbourne, the elongation of tertiary education represented by the 'New Generation degrees' and postgraduate professional degrees such as law, medicine and architecture have the potential to disadvantage students who cannot afford the extra years at university, not to mention the barriers represented by full-fee postgraduate courses.

To this end, UMSU recommends the extension of Commonwealth Supported Places in all postgraduate coursework programs and the funding of these places be reassessed to adequately reflect the true cost of providing a postgraduate degree. Furthermore, we believe that access to, and levels of, student income support require investigation, particularly to meet the needs of students who are facing longer degrees at university.

What is the cost of fees?

UMSU rejects arguments that course fees and increased HECS rates do not deter students (low SES and indigenous of particular concern) from participating in higher education. It is observed that in 2005 (following the introduction of the 25% HECS increases) that the University of Melbourne suffered a 3% decrease in Commonwealth Supported Places (CSP) year 12 first preferences.²

Furthermore, the success of programs such Melbourne Access (which offers fee waivers and partial HECS discounts) in improving low SES and indigenous participation at the University of Melbourne would further indicate the significance of full-fees and increased HECS rates on higher education participation.

Responding to demographic change in the face of 'lifelong learning'

Evidence suggests there is declining rates of mature age participation, and also reveal that mature age students (in addition to low SES students) are more debt-averse when considering higher education opportunities. In addition to this, there has also been evidence of increased student attrition rates.³ Umsu asserts that such trends can be viewed in light of the barriers that HECS provide to specific groups of students, in addition to the financial pressures that insufficient levels or access to income support place on students. Compounding these problems is the impact of VSU on student organisations to provide specific services to mature age students. At Melbourne University the Student Union Mature Age Lounge has been closed, and access to services, such as childcare and advocacy, constrained.

² The University of Melbourne Council minutes. Monday 7 May 2005. Item 5.

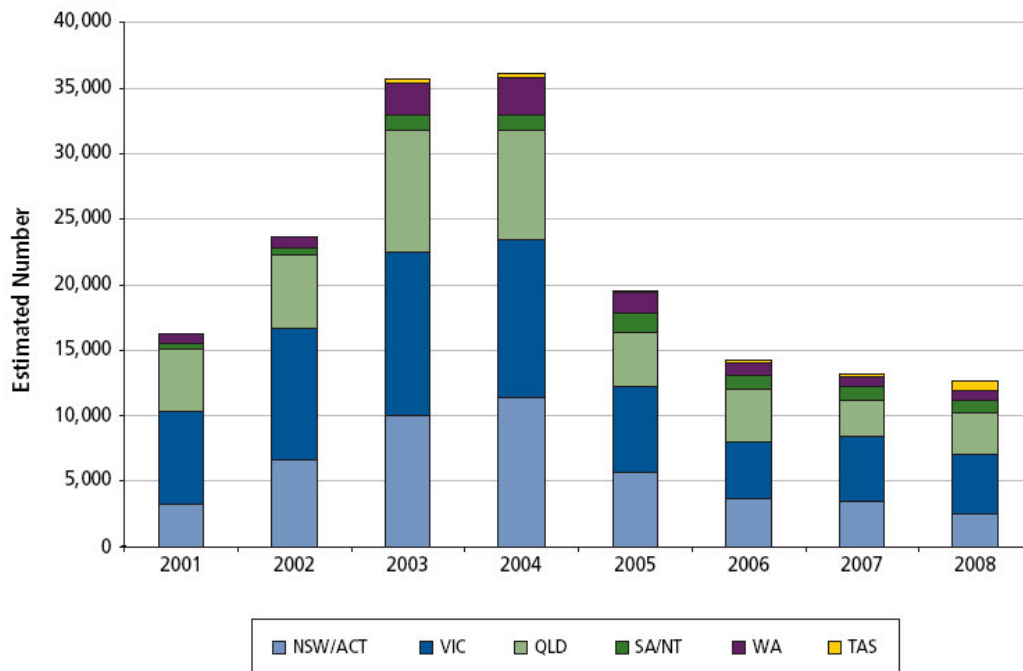
³ Review of Australian Higher Education: Discussion Paper (2008). 17.

Opportunities to Participate in Higher Education

Should there be a national approach to improving indigenous and low SES participation and success in higher education?

UMSU acknowledges the enduring debate surrounding the impact of course fees on student choices and participation. We argue, however, that there is an inescapable inconsistency to arguments from those (such as the University of Melbourne Vice-Chancellor) who deny HECS is a consideration for low SES and indigenous students,⁴ while also offering fee-waivers and discounts to such students. This is also seen in both the current and previous government's discounts in priority areas. We have already seen that in 2005 increased HECS rates did have an impact on the level of unmet demand (which fell by nearly half that year), in stark contrast to the trend of increasing unmet demand. Similarly, as mentioned earlier, demand for University of Melbourne year 12 first preference CSP places fell by 3% in 2005.

Figure 1: Estimated unmet demand, 2001 – 2008 by state



Source: *Universities Australia, 2008a*⁵

⁴ Davis, Glyn. "Fairness, Fees and Equity in Higher Education". AFR Higher Education Summit, 3 April 2007.

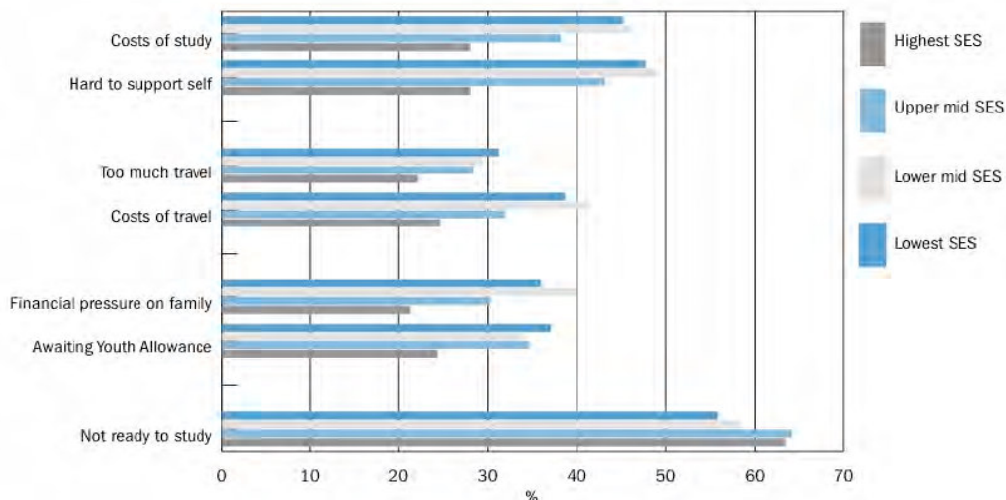
⁵ Sourced from Review of Australian Higher Education: Discussion Paper (2008).

In light of this, UMSU argues against the removal of maximum HECS caps, and further advocates for a reduction in the level of student contributions and an increase in the government contribution per HECS place.

UMSU further acknowledges that ‘any effective national strategy for increasing the participation of people from indigenous and low SES backgrounds will need to be implemented in partnership with the schools.’⁶ As the Discussion Paper further notes, educational disadvantage is experienced well before participation in higher education could ever be considered.

For this reason, UMSU believes that outreach programs targeting low SES schools and indigenous students requires a centralised approach. With the exception of a few universities, (such as The Australian Catholic University whose outreach extends to Year 7) many university outreach programs are targeted at year 12 students. Furthermore, the focus of these is often to recruit ‘the best and brightest’. Improvement in low SES and indigenous participation in higher education is predicated on earlier hurdles, such as successful secondary school completion. Accordingly, UMSU believes that is important that the achievability of higher education, and the availability of income support and other assistance while studying is provided to students at an early age. It is intended that such outreach programs will better inform and encourage students to work towards entry into higher education.

Figure 2: Reasons for not studying: highest achievement groups (GAT quartile), by quartiles of SES, 2006



Source: James, R, Bexley, E & Maxwell, L. *Participation and equity. A review of the participation in higher education of people from low socioeconomic backgrounds and Indigenous people, 2008.*⁷

⁶ Review of Australian Higher Education: Discussion Paper (2008). 29.

⁷ James, R, Bexley, E & Maxwell, L 2008, *Participation and equity. A review of the participation in higher education of people from low socioeconomic backgrounds and Indigenous people*, March, Universities Australia, Canberra. 35.

UMSU also recommends that in light of the impact of course fees on the decision of low SES and indigenous students to participate in higher education, the HECS discount for up-front payment should be abolished, as this unfairly disadvantages those students least able to *afford* such 'discounts'.

Additionally, UMSU believes that 'gap year' transition programs – such as those offered at The University of Western Australia and Flinders University – to 'up-skill' low SES and indigenous students to prepare them for tertiary study (particularly in the more competitive professional degrees) deserve investigation for specific funding to improve participation. The University of Melbourne has recently introduced a similar program, with residential college placements for indigenous students.

UMSU recommends that the Review look into a coordinated approach to low SES and indigenous student outreach in the earlier years of secondary school education. In addition to this, UMSU suggests that the Review investigate funding for specific transition programs that prepare students for tertiary study, and enhance their ability to enter competitive courses and programs.

Low SES and Indigenous student participation at the University of Melbourne

The University of Melbourne has seen improving rates of low SES and indigenous student participation. Initiatives such as the Indigenous Tutorial Assistance Scheme (ITAS) and Summer School programs for commencing postgraduate research students have contributed to an improved indigenous student experience. As a result of VSU however, the Indigenous department of UMSU notes the lack of support staff to help facilitate student driven initiatives such as mentoring programs. Additionally, representatives from the department highlight the need for greater cultural awareness and integration of cultural practices and experience into curriculum and activities offered by the University.

Similarly, the ability of UMSU to provide extensive programs for commencing students from under-represented schools, who may be one of only a few, or no others, from their school to make the transition into university has also been compromised by VSU. The impact of this can be seen in one student comment from the 2007 Melbourne Experience Survey: 'I feel so alone in a sea of people that I can't think of anything that makes me really value my university experience.'⁸

⁸ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 25.18.

The impact of either failure to gain income support or the inadequacy of income support on individuals or groups of students

According to the *Australian University Student Finances Survey*, 'during 2006 many Australian students were in stressful financial situations and many found it difficult to support themselves week-to-week. A large proportion of students lacked adequate financial support and many were highly anxious about 'making ends meet' and the debts they were accumulating.'⁹ The Discussion Paper also notes that the number of students on income support has declined in recent years, and that there has been an increase in the proportion of students whose were applications were rejected or who were unable to access the full rate in 2006 compared to 2000.¹⁰

According to the Melbourne University breakdown of the survey, 37.5% of students believed that work adversely affected their study. For 49.6% of students, finances were are a worry and 11.4% of students answered that food or necessities are unaffordable. Additionally, 37.3% answered that they were placing financial pressure on their families or their source of financial support by studying.

Table 1: Influence of work on study and career (% agree). Undergraduates.

	Melbourne Undergrad.	National Undergrad.	Significance level
Work adversely affects study	37.5	43.3	*
Regularly miss class for paid work	17.6	26.1	**
Current work helps career	22.2	30.4	**
Work not study related	66.8	59.6	**
Finances often a worry	49.6	58.5	**
I do not worry about debt	16.0	14.0	
Education is worth getting in debt	54.0	42.7	**
Food or necessities are unaffordable	11.4	14.2	
Supporting dependents unaffordable	15.3	24.6	
Financial support pressure to supporter	37.3	49.5	**

Source: Bexley, Emmaline. *Student Finances at the University of Melbourne*.¹¹

The impact of this can be seen in many different areas. The Student Union Advocacy Service (SUAS) estimates that of the more than 1000 students they support through Unsatisfactory Progress Committees each year, around 70% have been adversely affected by financial pressures. This includes insufficient income support and ineligibility to income support that leads

⁹ Review of Australian Higher Education: Discussion Paper (2008). 31.

¹⁰ Review of Australian Higher Education: Discussion Paper (2008). 31.

¹¹ Source: Bexley, Emmaline. *Student Finances at the University of Melbourne*. Presented to Melbourne Experience Committee, 19 September 2007. Item 4.3. 6.

to students having to work long hours, unsafe jobs or erratic shifts. Such pressures ultimately interfere with their study, while also impacting on their quality of life.

Furthermore, the University of Melbourne Mental Health Strategy Working Group noted this year that 'demand for counselling is growing; the service has booked 500 more clients in appointments each year since 2005, from within fixed sources.'¹² They state that 'mental illness now constitutes the single largest disability category of students registered with the Disability Liaison Unit (DLU).'¹³ The impact of insufficient levels of, and access to, income support can be seen to be multifaceted and diverse. Additionally, the VSU Legislation prevents the University from funding essential services like the DLU and Counselling Service from non-academic fees.

UMSU strongly urges that the Review assess the current levels of income support, and the unfair limitations on access to payments for many students.

¹² Norton, Jonathon and Brett, Matthew. "Mental Health Coordinator". Report submitted to the University of Melbourne Mental Health Strategy Working Group, March 2008. 1.

¹³ Norton, Jonathon and Brett, Matthew. "Mental Health Coordinator". Report submitted to the University of Melbourne Mental Health Strategy Working Group, March 2008. 1.

The Student Experience of Higher Education

The student experience at the University of Melbourne: financial pressures and realities

UMSU believes that the financial pressures facing students, and the serious need for income support reform has a significant impact on the student experience, and ability to fully participate in higher education. Furthermore, UMSU wishes to highlight the Discussion Paper's observation that the number of students on income support has declined in recent years, as well as the fact that the proportion of students whose applications are rejected has increased. We strongly assert that these are indicative of many of the inequities of the current system, and the need for the framework to be seriously re-examined.

Parental Income as determinant of financial need

UMSU believes that the parental income threshold is a significant barrier to student eligibility for Youth Allowance. Students under 25 years of age are considered financially 'dependent' on their parents and subject to the Parental Income test. If the combined parental income exceeds \$31,400, Youth Allowance payments are reduced and once parental income reaches \$68,361.6 'dependent' students are entirely ineligible for Youth Allowance.

The expectation that students under 25 will receive parental financial support causes great hardship to those receiving limited to no funds. Students in real financial need are effectively written out of the system, exacerbating student poverty. There are a number of underlying assumptions inherent in this policy which need to be interrogated. Firstly the assumption that students under 25 years of age are financially dependent on their parents and receive financial support is anachronistic with the realities for many students and their families. Furthermore, according to the University of Melbourne breakdown of the *Australian Student Finances Survey* 37.3% of students receiving financial support from their family or other private sources answered that they felt they were placing financial pressure on their supporter by being at university.¹⁴ (See Table 1 above).

Additionally, the presumption that a parental income of \$31 400 can support 'dependent' students without experiencing financial hardship is unrealistic, as evidenced in the table above. The average University of Melbourne student's total yearly expenses were calculated at \$14 310, not including any potential relocation costs if the student is unable to live at home during their study. This is almost half the parental income threshold. Many families cannot afford this, which forces

¹⁴ Bexley, Emmaline. *Student Finances at the University of Melbourne*. Presented to Melbourne Experience Committee, 19 September 2007. Item 4.3. 6.

students to work long hours and/or families to make significant sacrifices, including taking out loans of large sums of money to pay for their child's tertiary study.

Table 2: Undergraduates' annual expenses (\$)

	Melbourne Undergrad.	National Undergrad.	Significance level
Total Expenses mean	14310.3	17509.2	**
median	10267.5	12630.0	
Male	14258.5	17177.9	**
Female	14005.8	17975.1	**

Source: Bexley, Emmaline. Student Finances at the University of Melbourne.¹⁵

Lastly, the parental income threshold ignores the realities of many students who may be estranged from their parents and cannot access private financial support. For many students, university is a time that they develop their adult and independent selves. For some this may include sexuality, political, religious or other transformations that are not accepted or embraced by their families. It is for this reason that UMSU has a number of services including Women's, Queer and Welfare departments to meet the needs of these students, particularly in the face of lack of consideration for real family situations in the income support framework.

UMSU Recommends that if the parental income test is to remain, there must be a comprehensive review of actual family incomes and expenditures, that would form the basis for an increase to the income threshold. Such an increase should be indexed annually.

What is "independence"?

Over time the 'age of independence' has varied significantly. In the early 1990s it was progressively lowered to 22 years, before being raised to 25 again in 1998. Some families cannot or will not support children through tertiary education. The age of independence and subsequent parental income test does not effectively reflect the capacity of low-income families to support adult children. Nor does it reflect many family expectations and relationships. It is noted in the Discussion Paper that financial disadvantage is a barrier to student access and participation at university. UMSU believes that lowering the age of independence would increase effective participation rates amongst young people from low to modest SES backgrounds.

¹⁵ Source: Bexley, Emmaline. *Student Finances at the University of Melbourne*. Presented to Melbourne Experience Committee, 19 September 2007. Item 4.3. 4.

Currently the age of independence for university students is 25 years. Many University students are forced through circumstances or by choice to lead an independent life when they begin studying. The 2007 Melbourne Experience Survey illustrates that 70% of students at the University of Melbourne exceed the recommended limit of 10-15 hours of paid employment while studying. In fact, many students work far in excess of this amount, and as consequence, hours per week spent studying and hours per week on campus are overall minimal.

Figure 3:

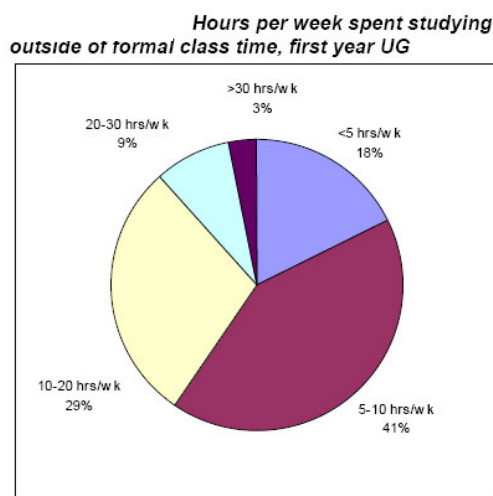
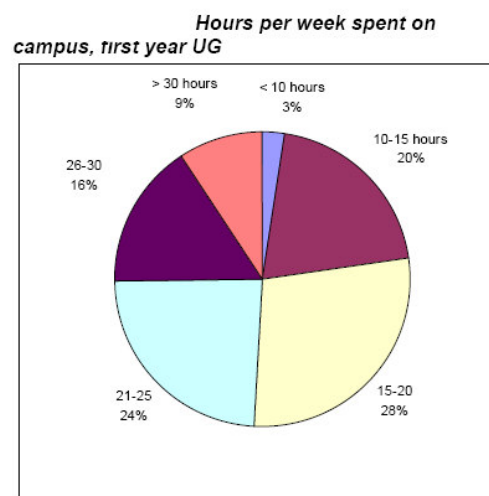


Figure 4:



Source: Melbourne Experience Survey, 2007.¹⁶

The survey also found a correlation between students engaging in large amounts of paid employment and a lower overall feeling of satisfaction, and academic connectedness. UMSU believes that lowering the age of independence would recognise and support the autonomy of young adults, and better enable them to participate in higher education by minimising financial pressures and hours needed to be spent off campus.

UMSU recommends that lowering the age of independence be investigated.

¹⁶ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 25.

The Student Income Bank and the Poverty Line: a Paradox in the income support framework

Student income support is lowered when gross income exceeds the defined income-free area. The income free area has not been indexed since 1993, and a fortnightly income between \$236 and \$316 reduces payments by 60 cents in the dollar. This means student payments stop when a student living at home earns \$639.17 per fortnight and when a student out of home earns \$841.67 per fortnight. A House of Representatives Enquiry in 1991 recommended the income-free area be raised to \$8,000 per annum, with earnings over this threshold only reducing payments by 25 cents in the dollar. Despite this, the income-free area has not increased. In 2008 prices, the \$8,000 recommended in 1991 is approximately \$12,181.33 per annum, or \$468.51 per fortnight.

Additionally, there is a discrepancy between rate of payments and the real costs of living for University of Melbourne students. The Henderson poverty line in the December 2007 quarter was \$748.22 per fortnight. Student payments (Youth Allowance and Austudy) are a maximum (single person, no children, living away from home) of \$355.40 per fortnight. If the recipient is eligible for Rent Assistance this increases by a further \$70.27 (share accommodation) or \$105.40 (living alone). Current payment rates are well below the Henderson Poverty Line. Maximum student payments, with Rent Assistance come to only 69.87%. Additionally, Rent Assistance is grossly inadequate comparative to real rental prices, and quarterly increases in payments do not reflect the rental market. This has become of particular concern to University of Melbourne students who are being significantly affected by the rising costs of the rental market and the 0.1% rental vacancy rate in inner Melbourne.

When student income support was first envisaged, it was designed to be a liveable allowance while studying. In subsequent years, it has been argued that payments are an income supplement. There is a paradox operating in the current income support framework where payments are neither a livable allowance, nor are students allowed to earn a livable income in addition to their payments to meet the real costs of being a student. Due to this, many students communicate to UMSU that they are forced to 'cheat' the reporting frameworks in order to earn a livable income. In light of this, UMSU argues strongly that rate of payments and the income bank are in great need of examination and reform.

UMSU recommends that the student income bank be increased, and indexed, and that student income support payments match with the Henderson Poverty Line
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Scholarships as income

At present, many scholarships count as payment for Centrelink purposes, and eat into the student income bank. Therefore, many students awarded scholarships, either on a merit or equity basis, may receive reduced student payments as a result, or be altogether penalised for working (if the scholarship is \$6,000 or more – the current income-free area). Ultimately, the scholarship from a University, or other awarding body, merely replaces money that may otherwise be payable by Centrelink. The student ends up not being better off by receiving the scholarship and the struggle of trying to balance work and study remain.

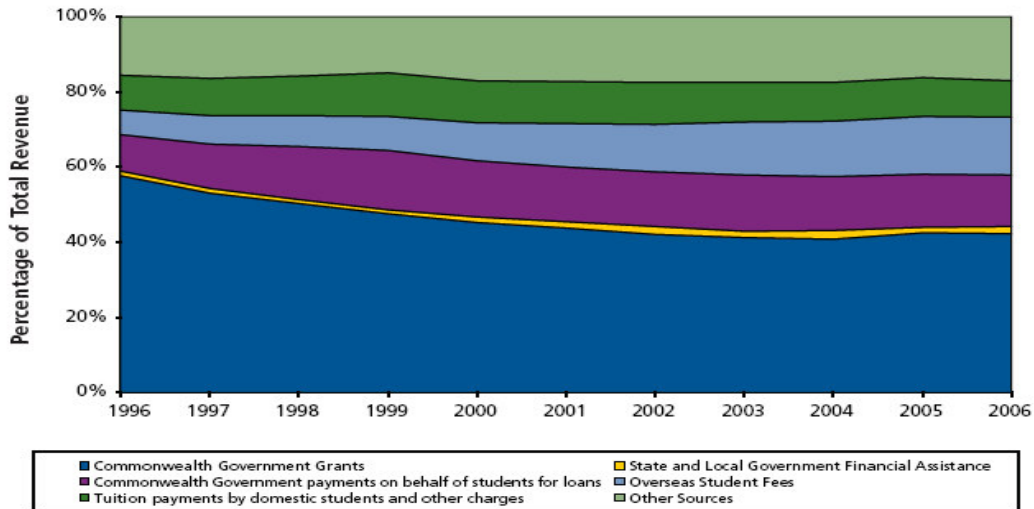
UMSU strongly urges that scholarships be exempt from the student income test and income bank.

UMSU is also concerned by the financial pressures many students face carrying out compulsory course requirements such as internships, work placements and practicals. Such activities can often involve physical relocation, transport costs and loss of income earning capacity. This can be particularly stressful for low SES students. UMSU feels that there needs to be an investigation into an income support scheme to support students through compulsory course placements and internships.

The social, cultural and educational experience of students at the University of Melbourne

With the introduction of the Melbourne Model this year, the University of Melbourne is moving toward a model of much larger student course cohorts, and even subject cohorts, in the New Generation degrees. In light of findings from the 2007 Melbourne Experience Survey that indicate declining levels of student engagement on campus and feelings of academic disconnectedness, UMSU is concerned for the social, cultural and educational experience of students at the University of Melbourne. The survey highlighted the increasingly minimal hours of time spent on campus, arguably due to ever decreasing amounts of course contact hours over recent decades. Student experience was found to be atomised and feelings of anonymity and isolation were evident. In order to counter these negative student experiences, UMSU argues that the Commonwealth and universities must commit to the provision of a vibrant, diverse and inclusive student culture through the full funding of student organisations. Additionally UMSU urges that increased public funding of higher education is desperately needed to restore adequate academic collegiality and improve the teaching and learning experience.

Figure 5: Higher education sources as a percentage of total revenue, 1996 – 2006 (constant prices)



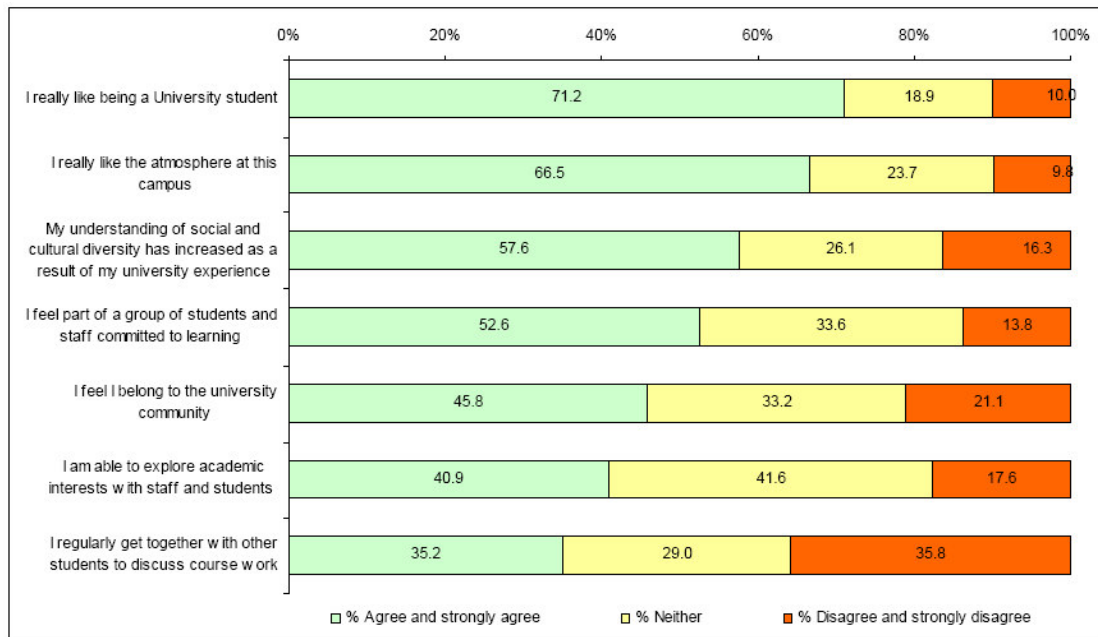
Source: DEEWR 2008 (based on Finance Selected Higher Education Statistics, various years)¹⁷

The Discussion Paper notes that ‘in the public universities, resources have been under increasing pressure for some time as student numbers have outstripped Commonwealth funding for teaching. Student-staff ratios have grown markedly, from 12.9 in 1990 to 20.3 in 2005’¹⁸ The 2007 Melbourne Experience Survey demonstrates the subsequent impact of this increase on the student learning experience. While 53% of students reported that they ‘really like being a university student’, only 53% agreed that they felt part of a group of students and staff committed to learning. Only 41% agreed that they were able to explore academic interests with staff and students and a low 35% agreed that they regularly get together with other students to discuss coursework. UMSU strongly argues that these negative responses are directly related to the increasing staff:student ratio.

¹⁷ Reproduced in Review of Australian Higher Education: Discussion Paper (2008). 10.

¹⁸ Review of Australian Higher Education: Discussion Paper (2008). 12.

Figure 6: First year student perceptions of university culture and community

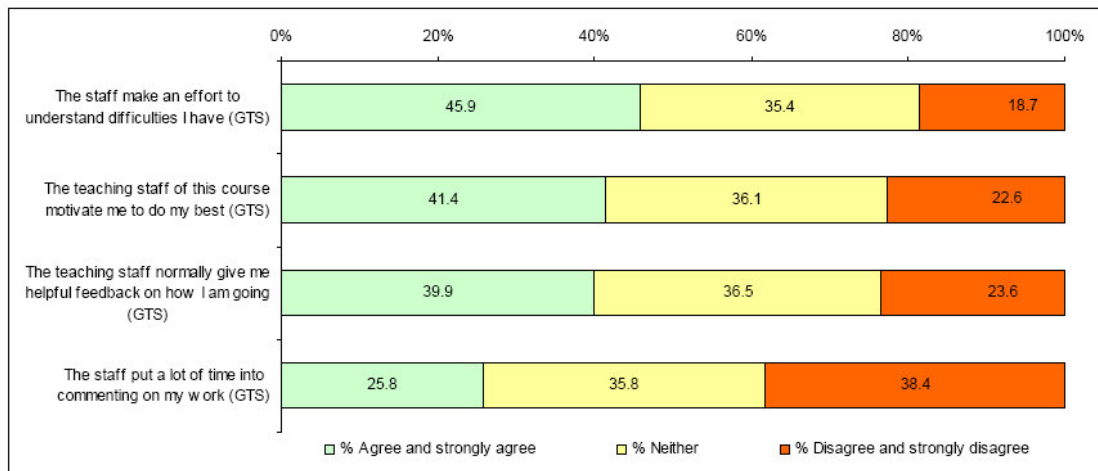


Source: Melbourne Experience Survey, 2007.¹⁹

UMSU has particularly followed developments in the University of Melbourne Arts faculty this year. Late last year 457 subjects were cut from the faculty, which has significantly restricted subject choice and increased lecture and tutorial sizes. In a survey conducted mid-semester, the majority of respondents (136 of 188) had encountered difficulties stemming from the size of classes (tutorials, lectures and seminars). Most of these difficulties centred on the limitations that increased class sizes put on interaction and discussion. This is reflected in the 2007 Melbourne Experience Survey, as is growing dissatisfaction with the level of feedback and support. Fewer than half (41%) of respondents in the Melbourne Experience Survey agreed that staff gave them helpful feedback, and only 26% agreed that staff put a lot of time into commenting on their work.

¹⁹ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 22.

Figure 7: First year student perceptions of teaching and support



Source: Melbourne Experience Survey, 2007.²⁰

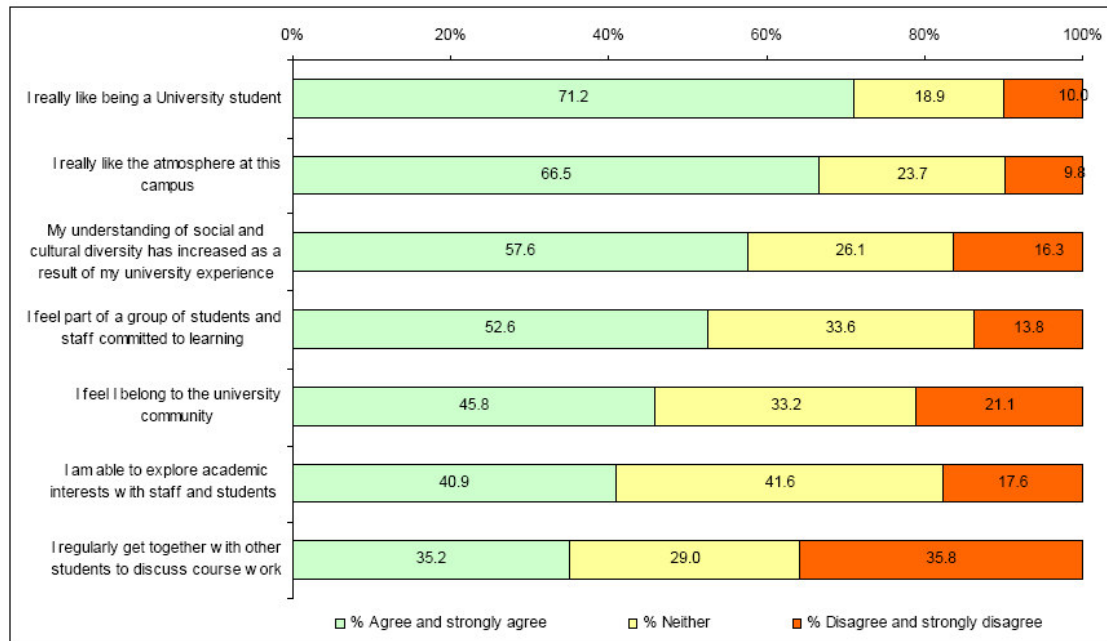
UMSU acknowledges the pressures and workloads of the contemporary academic workforce. We strongly believe there is a link between the increase in staff:student ratios and the casualisation of the new and lower tiers of the academic workforce, and the declining levels of student satisfaction with feedback, teaching and learning. These factors mean that lecturers and tutors are less available for one-on-one discussions with their students, or to facilitate opportunities for students to participate in collaborative extracurricular activities. UMSU believes that this significantly undermines the academic collegiality of the university experience. Furthermore, increased sizes of classes and overall student cohorts, limits student interaction and makes it more difficult for students to interact independently. This is of particular significance for low SES and international students who tend to be disadvantaged when it comes to pre-existing social networks when they arrive at university.

For this reason UMSU reiterates the importance of student organisations in bridging the deficiencies of the student learning experience in forging relationships and social interaction, particularly between different groups of students. UMSU would like to acknowledge the great importance and contribution that the diversity of student backgrounds brings to the student experience, and laments the restrictions that VSU places on the ability of student organisations to further facilitate interaction and cultural awareness. The Melbourne University Overseas Students' Service plays a significant role in fostering exchange of cultural awareness and this is reflected in the Melbourne Experience Survey findings that a large number of students felt that

²⁰ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 17.

their 'understandings of social and cultural diversity has increased as a result of my university experience.'²¹

Figure 10: First year student perceptions of university culture and community



Source: Melbourne Experience Survey, 2007.²²

²¹ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 22.

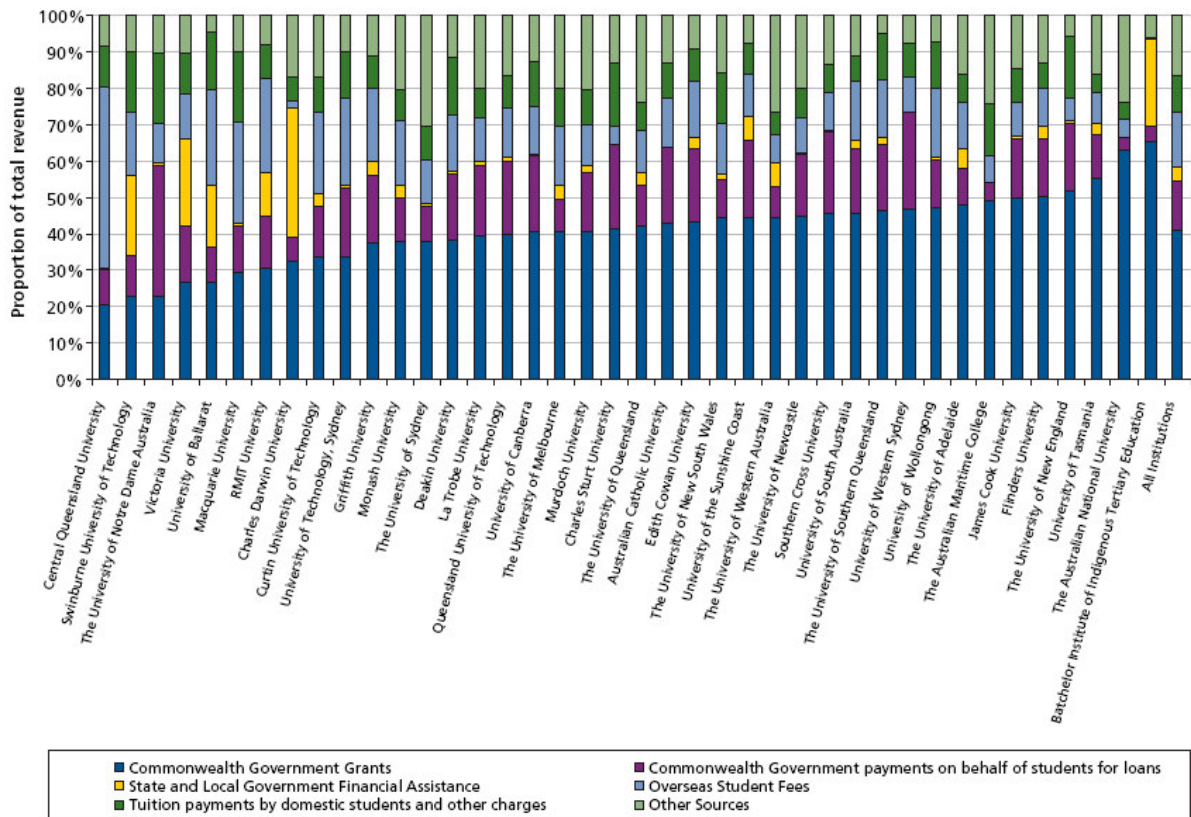
²² The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 22.

Higher Education's Role in the National Innovation System

'Teaching only' universities?

UMSU believes that research is an integral aspect of university learning, and that a culture of scholarship is of most benefit to students, and the teaching and learning community. For this reason, we strongly reject any proposal to move to a two-tiered university sector comprised of research and 'teaching only' universities. Figure 2 of the Discussion Paper visually represents the disparity of wealth and income sources across the sector, and we believe that such proposed reforms will overwhelmingly benefit the more established 'sandstone' and group of eight universities, at the expense of the innovation and diversity that the current sector enjoys as a result of newer, less established and varied institutions.

Figure 11: Comparison of revenue by higher education institution and source (VET revenue included), 2006



Source: DEST 2007a, Finance 2006, Financial Reports of Higher Education Providers

Australia's Higher Education Sector in the International Arena

Consequences of the internationalisation of higher education in Australia

UMSU is committed to promoting increased engagement and interaction with international students. It is the conditions under which internationalisation is occurring that is problematic. The significant under-funding of the tertiary sector in Australia forces Universities to treat internationalisation principally as a financial mechanism.

UMSU believes that International students at the University of Melbourne have been financially exploited by the current education system. In providing some solution to this issue, we believe that a publically funded education system, where the government fully funds student positions in universities, would prevent such exploitation. We believe all students, both domestic and international, should be treated equally. It is critical, as a matter of urgency that significantly increased funding be provided to the tertiary sector for the provision of quality accessible education for domestic and international students.

UMSU recommends that the government abolishes full-fees for international students and provides government funding for international student places.

UMSU would also like to highlight the dire housing situation that international students face when arriving in Australia. International students are impacted by the limited supply of affordable and unacceptable housing conditions. This issue should be brought to the attention of international students before they arrive in Australia, so that they can make a fully conscious decision about their studies and make provisions before arriving.

UMSU recommends that Universities develop additional affordable residential colleges which will be accessible to international students.

UMSU supports the conclusions drawn in the paper “**International Students - A Segregated and Vulnerable Workforce**” by Chris Nyland, Helen Forbes-Mewett, Simon Marginson, Gaby Ramia, Erlenawati Sawir, Sharon Smith, in that it highlights the effects on international students of exorbitant fees and their desperation to offset their costs by seeking forms of work and levels of payment unacceptable to locals.

UMSU recommends that the cap on working hours for international students should be more flexible, to allow international students greater ability to meet their education and living costs. Greater flexibility around working hours would provide for greater cultural engagement and increased participation of international students in the broader Australian community.

With the rising cost of living and education fees, international students need greater welfare provisions. International students should be able to access Centrelink and be eligible for student concession cards.

Finally UMSU recognises the importance of international students in enriching the intellectual and cultural life on university campuses. To facilitate greater participation and support for international students, UMSU believes that student unions play a key role and demand that the government repeal the Voluntary Student Unionism legislation that has crippled the ability of student unions around the country and undermined their ability to play this role.

Higher Education's contribution to Australia's economic, social and cultural capital

Knowledge Transfer and Community Engagement

UMSU strongly believes that there is great benefit to universities engaging in knowledge transfer, we are however sceptical of such initiatives being concentrated in private business enterprises and interests. Umsu also believes that if public higher education funding is increased, and access problems overcome, then universities will be fulfilling knowledge transfer through increased participation in higher education, and its subsequent social and economic benefits. Having said that, there is also concern that knowledge transfer or 'third stream activities' may place added burdens on already financially stressed and time poor students. For student participation in knowledge transfer to be equitable and available to all students, mechanisms need to be investigated for financing the participation of students who may be at an economic disadvantage to participate.

Potentially related to student participation in knowledge transfer activities is the suggestion of a volunteer HECS corp that came out of the 20/20 Youth Summit. The main thrust of the proposal was that students could 'work off' their HECS debts through volunteer work while studying. Umsu believes that unless mechanisms are devised to enable all students to have an equal capacity to participate in such schemes, they are prone to disadvantaging time poor and financially constrained students. While operating under a system that places Centrelink dependent students below the poverty line, and the fact that many students are already working long hours to support themselves, Umsu believes that students would struggle to find the time to volunteer work while studying, rendering this scheme inaccessible to a large group, of predominantly already financially disadvantaged, students.

Resourcing the System

Consequences of current arrangements in higher education funding

UMSU is committed to the promotion of free and accessible government funded education, and to this end we urge the Commonwealth to increase public spending on higher education as a proportion of GDP. We believe that increased levels of private student contribution does impact on student choice to participate in higher education, particularly amongst low SES and indigenous students. We are strongly opposed to further increases in HECS rates, and any proposed removal of maximum HECS caps.

How to secure Australia's higher education sector?

UMSU believes that the current reliance on international and domestic private contribution revenue does not secure the future of the higher education sector. This has recently been seen through the Labor Party's decision to discontinue Domestic Undergraduate Full Fee places, as well as unexpected decline in international student demand for certain courses at the University of Melbourne which has severely impacted on some faculties. We strongly argue that there needs to be serious governmental prioritisation of higher education and long term commitment to public funding. UMSU rejects the emphasis on productivity and competition in the Discussion Paper. We believe that higher education should be premised on public access and ability to participate. The decades of public investment in higher education, and some particular institutions over others, has created the 'modern higher education industry' that the Discussion Paper refers to. Public access and benefit must be guaranteed through continued and increased serious public investment.

UMSU recognises that the HECS model of funding is one that pushes the burden of the cost of education onto students. The effects of this is to discourage people from lower socio-economic backgrounds from participating in higher education and reduces the capacity for the greatest number of students to receive an education. Recognising that all students should be treated equally, we are strongly advocating a publicly funded tertiary education system that is not based on profit generation. As an organisation, we are committed to the pursuit of this aim, without regard to race, sex, age, disability, mental illness, economic circumstances or national or social origin.

Governance and Regulation

Suggestions for the improvement of university governance

As the largest stakeholder within the university community, UMSU believes that students have a critical role to play in university governance and believes that student participation should be supported and enhanced by the university.

UMSU reject arguments that seek to restrict student participation in university governance on the grounds of 'lack of special expertise'. We strongly believe that responsibility lies with the university to adequately skill democratically elected and appointed student representatives in areas where they may need specific or additional knowledges and skills.

We believe that university governance can not function to its best ability without the important contribution that student representatives provide. To this end, the full funding and independence of campus student organisations is critical to ensuing induction, training and support of student representatives to enable them to effectively carry out their role.

As a result of an internal UMSU review into student participation in university governance at the beginning of this year, UMSU set up a Student Representative Network (SRN). Beginning this year, UMSU advertises all committee and council positions to all students, and invites application based on previous leadership and advocacy experience, suitability to the work of each committee, and availability for the entire academic year. Candidates are appointed by a staffing subcommittee of the UMSU Students Council, and are then provided with an induction and training session that includes familiarising student representatives with meeting procedure, the university's governance and committee structures and the functions of senior executive and administration. If throughout the year it becomes apparent the student representatives need further training or specific skills, this has been negotiated with the University, such as the Finance Subcommittee of University Council.

UMSU recommends that full funding of student organisations be restored to enable effective student participation in university governance.
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Prepared by Onagh Bishop (Education - Academic Affairs Student Officer) , the University of Melbourne Student Union

Onagh.Bishop@union.unimelb.edu.au

The University of Melbourne Student Union (UMSU) is proud to be an organisation committed to the promotion of free and accessible government funded education. We promote and defend the rights of students to education on the basis of equality, without regard to race, sex, age, disability, mental illness, economic circumstances or national or social origin.¹ To this end, we embrace the opportunity to submit to the Federal Government Review into Higher Education in Australia.

UMSU advocates public investment in higher education, and believes that the Commonwealth needs to commit more spending as a proportion of GDP on higher education. We believe that this is central to securing the future of the sector, and its role in the development of Australia's social and cultural structures and its national and regional economies. It is noted in the Discussion Paper that 'there is now less reliance on government funding and a greater reliance on student contributions and other more contestable sources of income.'¹ In our interactions with students, and our experience in supporting students in the educational and welfare issues that they face, we believe that such a shift has been detrimental to the student experience and the ability of all students to participate in higher education. In our submission, we shall concentrate on the issues that affect students directly – both when at university, and before they successfully enter higher education. It shall be argued that the increasing burden of private student contribution to higher education, coupled with insufficient levels and access to income support have resulted in inequity for all students to participate in higher education. Furthermore, we shall examine the impact of increased reliance on international student revenue to meet the funding shortfalls of the sector, and the lack of support for international students' welfare while studying, as well as inadequate opportunities once they graduate.

In making these statements, we would also like it to be acknowledged that UMSU feels that the emphasis placed on evidentiary submissions (both in the Discussion Paper and by the Review Panel) places unfair limitations on the ability of student organisations to participate in this significant Review. As a result of the previous government's Voluntary Student Unionism (VSU) Legislation, student organisations have been incredibly constrained in their ability to undertake research and do not have the resources to produce the detailed evidence-based submissions requested. Despite this, UMSU is confident in representing the views and experiences of the students at the University of Melbourne that have democratically elected us to do so. Unlike University administrators we are elected annually to represent the views of students, and as students, we have the most contact with, and understanding of their issues.

¹ Review of Australian Higher Education: Discussion Paper (2008). 13.

Meeting Labour Market and Industry Needs

Moving towards increased postgraduate (coursework) programs

UMSU believes that insufficient funding, and the increase in the market-based ideology of universities has created significant impediments to innovation and development of courses and programs in higher education.

The recent reforms at the University of Melbourne (commonly referred to as 'The Melbourne Model') illuminate the increasing pressure on universities to creatively devise opportunities for revenue derived from full-fee paying students. The move towards increased postgraduate coursework programs (particularly for professional and vocational degrees) has furthered the private contribution paid by students, while the pedagogical benefits remain to be proven. Following the discontinuation of Domestic Undergraduate Full Fee places, it can be presumed that without intervention in the form of increased public funding, such initiatives will become commonplace in bridging the funding shortfall. It is argued that this has the potential to be to the detriment of any pedagogical or other benefits to students, and will delay the entry of graduates into the workforce.

Furthermore, UMSU is concerned about access to such programs. At the University of Melbourne, the elongation of tertiary education represented by the 'New Generation degrees' and postgraduate professional degrees such as law, medicine and architecture have the potential to disadvantage students who cannot afford the extra years at university, not to mention the barriers represented by full-fee postgraduate courses.

To this end, UMSU recommends the extension of Commonwealth Supported Places in all postgraduate coursework programs and the funding of these places be reassessed to adequately reflect the true cost of providing a postgraduate degree. Furthermore, we believe that access to, and levels of, student income support require investigation, particularly to meet the needs of students who are facing longer degrees at university.

What is the cost of fees?

UMSU rejects arguments that course fees and increased HECS rates do not deter students (low SES and indigenous of particular concern) from participating in higher education. It is observed that in 2005 (following the introduction of the 25% HECS increases) that the University of Melbourne suffered a 3% decrease in Commonwealth Supported Places (CSP) year 12 first preferences.²

Furthermore, the success of programs such Melbourne Access (which offers fee waivers and partial HECS discounts) in improving low SES and indigenous participation at the University of Melbourne would further indicate the significance of full-fees and increased HECS rates on higher education participation.

Responding to demographic change in the face of 'lifelong learning'

Evidence suggests there is declining rates of mature age participation, and also reveal that mature age students (in addition to low SES students) are more debt-averse when considering higher education opportunities. In addition to this, there has also been evidence of increased student attrition rates.³ Umsu asserts that such trends can be viewed in light of the barriers that HECS provide to specific groups of students, in addition to the financial pressures that insufficient levels or access to income support place on students. Compounding these problems is the impact of VSU on student organisations to provide specific services to mature age students. At Melbourne University the Student Union Mature Age Lounge has been closed, and access to services, such as childcare and advocacy, constrained.

² The University of Melbourne Council minutes. Monday 7 May 2005. Item 5.

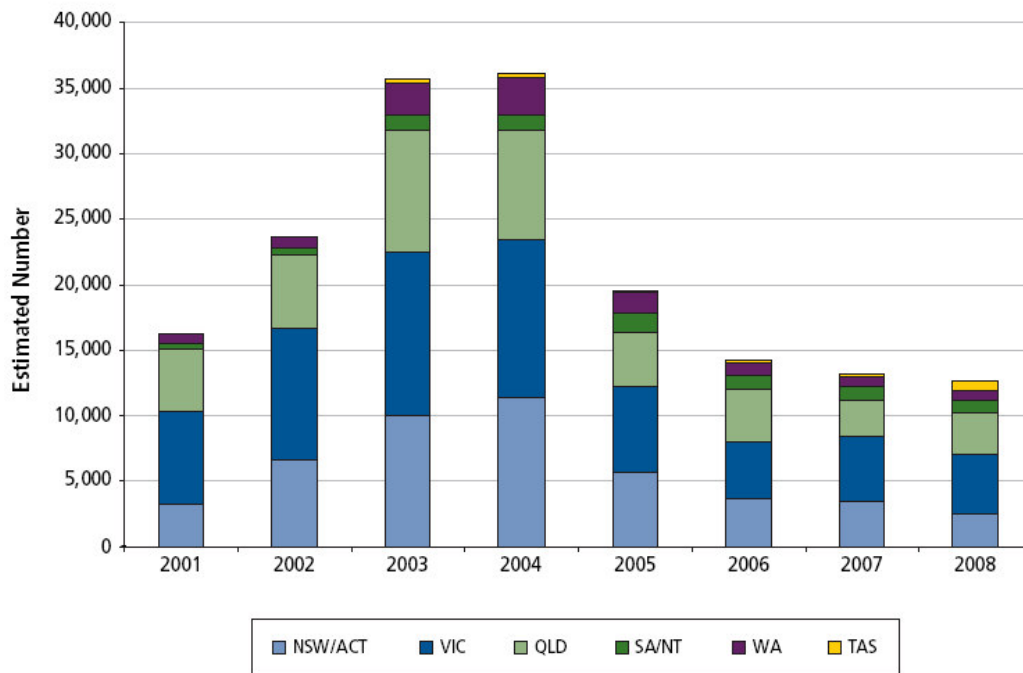
³ Review of Australian Higher Education: Discussion Paper (2008). 17.

Opportunities to Participate in Higher Education

Should there be a national approach to improving indigenous and low SES participation and success in higher education?

UMSU acknowledges the enduring debate surrounding the impact of course fees on student choices and participation. We argue, however, that there is an inescapable inconsistency to arguments from those (such as the University of Melbourne Vice-Chancellor) who deny HECS is a consideration for low SES and indigenous students,⁴ while also offering fee-waivers and discounts to such students. This is also seen in both the current and previous government's discounts in priority areas. We have already seen that in 2005 increased HECS rates did have an impact on the level of unmet demand (which fell by nearly half that year), in stark contrast to the trend of increasing unmet demand. Similarly, as mentioned earlier, demand for University of Melbourne year 12 first preference CSP places fell by 3% in 2005.

Figure 1: Estimated unmet demand, 2001 – 2008 by state



Source: *Universities Australia, 2008a*⁵

⁴ Davis, Glyn. "Fairness, Fees and Equity in Higher Education". AFR Higher Education Summit, 3 April 2007.

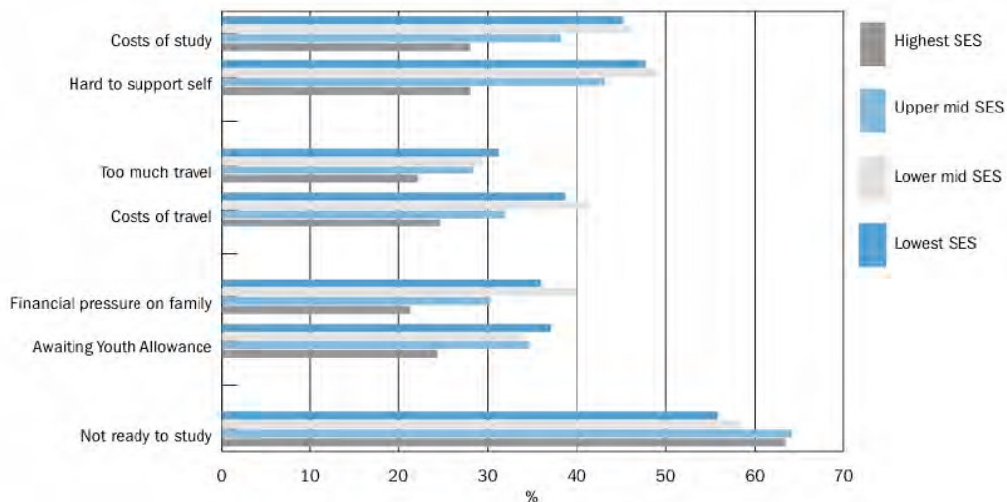
⁵ Sourced from Review of Australian Higher Education: Discussion Paper (2008).

In light of this, UMSU argues against the removal of maximum HECS caps, and further advocates for a reduction in the level of student contributions and an increase in the government contribution per HECS place.

UMSU further acknowledges that ‘any effective national strategy for increasing the participation of people from indigenous and low SES backgrounds will need to be implemented in partnership with the schools.’⁶ As the Discussion Paper further notes, educational disadvantage is experienced well before participation in higher education could ever be considered.

For this reason, UMSU believes that outreach programs targeting low SES schools and indigenous students requires a centralised approach. With the exception of a few universities, (such as The Australian Catholic University whose outreach extends to Year 7) many university outreach programs are targeted at year 12 students. Furthermore, the focus of these is often to recruit ‘the best and brightest’. Improvement in low SES and indigenous participation in higher education is predicated on earlier hurdles, such as successful secondary school completion. Accordingly, UMSU believes that is important that the achievability of higher education, and the availability of income support and other assistance while studying is provided to students at an early age. It is intended that such outreach programs will better inform and encourage students to work towards entry into higher education.

Figure 2: Reasons for not studying: highest achievement groups (GAT quartile), by quartiles of SES, 2006



Source: James, R, Bexley, E & Maxwell, L. *Participation and equity. A review of the participation in higher education of people from low socioeconomic backgrounds and Indigenous people, 2008.*⁷

⁶ Review of Australian Higher Education: Discussion Paper (2008). 29.

⁷ James, R, Bexley, E & Maxwell, L 2008, *Participation and equity. A review of the participation in higher education of people from low socioeconomic backgrounds and Indigenous people*, March, Universities Australia, Canberra. 35.

UMSU also recommends that in light of the impact of course fees on the decision of low SES and indigenous students to participate in higher education, the HECS discount for up-front payment should be abolished, as this unfairly disadvantages those students least able to *afford* such 'discounts'.

Additionally, UMSU believes that 'gap year' transition programs – such as those offered at The University of Western Australia and Flinders University – to 'up-skill' low SES and indigenous students to prepare them for tertiary study (particularly in the more competitive professional degrees) deserve investigation for specific funding to improve participation. The University of Melbourne has recently introduced a similar program, with residential college placements for indigenous students.

UMSU recommends that the Review look into a coordinated approach to low SES and indigenous student outreach in the earlier years of secondary school education. In addition to this, UMSU suggests that the Review investigate funding for specific transition programs that prepare students for tertiary study, and enhance their ability to enter competitive courses and programs.

Low SES and Indigenous student participation at the University of Melbourne

The University of Melbourne has seen improving rates of low SES and indigenous student participation. Initiatives such as the Indigenous Tutorial Assistance Scheme (ITAS) and Summer School programs for commencing postgraduate research students have contributed to an improved indigenous student experience. As a result of VSU however, the Indigenous department of UMSU notes the lack of support staff to help facilitate student driven initiatives such as mentoring programs. Additionally, representatives from the department highlight the need for greater cultural awareness and integration of cultural practices and experience into curriculum and activities offered by the University.

Similarly, the ability of UMSU to provide extensive programs for commencing students from under-represented schools, who may be one of only a few, or no others, from their school to make the transition into university has also been compromised by VSU. The impact of this can be seen in one student comment from the 2007 Melbourne Experience Survey: 'I feel so alone in a sea of people that I can't think of anything that makes me really value my university experience.'⁸

⁸ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 25.18.

The impact of either failure to gain income support or the inadequacy of income support on individuals or groups of students

According to the *Australian University Student Finances Survey*, 'during 2006 many Australian students were in stressful financial situations and many found it difficult to support themselves week-to-week. A large proportion of students lacked adequate financial support and many were highly anxious about 'making ends meet' and the debts they were accumulating.'⁹ The Discussion Paper also notes that the number of students on income support has declined in recent years, and that there has been an increase in the proportion of students whose were applications were rejected or who were unable to access the full rate in 2006 compared to 2000.¹⁰

According to the Melbourne University breakdown of the survey, 37.5% of students believed that work adversely affected their study. For 49.6% of students, finances were are a worry and 11.4% of students answered that food or necessities are unaffordable. Additionally, 37.3% answered that they were placing financial pressure on their families or their source of financial support by studying.

Table 1: Influence of work on study and career (% agree). Undergraduates.

	Melbourne Undergrad.	National Undergrad.	Significance level
Work adversely affects study	37.5	43.3	*
Regularly miss class for paid work	17.6	26.1	**
Current work helps career	22.2	30.4	**
Work not study related	66.8	59.6	**
Finances often a worry	49.6	58.5	**
I do not worry about debt	16.0	14.0	
Education is worth getting in debt	54.0	42.7	**
Food or necessities are unaffordable	11.4	14.2	
Supporting dependents unaffordable	15.3	24.6	
Financial support pressure to supporter	37.3	49.5	**

Source: Bexley, Emmaline. *Student Finances at the University of Melbourne*.¹¹

The impact of this can be seen in many different areas. The Student Union Advocacy Service (SUAS) estimates that of the more than 1000 students they support through Unsatisfactory Progress Committees each year, around 70% have been adversely affected by financial pressures. This includes insufficient income support and ineligibility to income support that leads

⁹ Review of Australian Higher Education: Discussion Paper (2008). 31.

¹⁰ Review of Australian Higher Education: Discussion Paper (2008). 31.

¹¹ Source: Bexley, Emmaline. *Student Finances at the University of Melbourne*. Presented to Melbourne Experience Committee, 19 September 2007. Item 4.3. 6.

to students having to work long hours, unsafe jobs or erratic shifts. Such pressures ultimately interfere with their study, while also impacting on their quality of life.

Furthermore, the University of Melbourne Mental Health Strategy Working Group noted this year that 'demand for counselling is growing; the service has booked 500 more clients in appointments each year since 2005, from within fixed sources.'¹² They state that 'mental illness now constitutes the single largest disability category of students registered with the Disability Liaison Unit (DLU).'¹³ The impact of insufficient levels of, and access to, income support can be seen to be multifaceted and diverse. Additionally, the VSU Legislation prevents the University from funding essential services like the DLU and Counselling Service from non-academic fees.

UMSU strongly urges that the Review assess the current levels of income support, and the unfair limitations on access to payments for many students.
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¹² Norton, Jonathon and Brett, Matthew. "Mental Health Coordinator". Report submitted to the University of Melbourne Mental Health Strategy Working Group, March 2008. 1.

¹³ Norton, Jonathon and Brett, Matthew. "Mental Health Coordinator". Report submitted to the University of Melbourne Mental Health Strategy Working Group, March 2008. 1.

The Student Experience of Higher Education

The student experience at the University of Melbourne: financial pressures and realities

UMSU believes that the financial pressures facing students, and the serious need for income support reform has a significant impact on the student experience, and ability to fully participate in higher education. Furthermore, UMSU wishes to highlight the Discussion Paper's observation that the number of students on income support has declined in recent years, as well as the fact that the proportion of students whose applications are rejected has increased. We strongly assert that these are indicative of many of the inequities of the current system, and the need for the framework to be seriously re-examined.

Parental Income as determinant of financial need

UMSU believes that the parental income threshold is a significant barrier to student eligibility for Youth Allowance. Students under 25 years of age are considered financially 'dependent' on their parents and subject to the Parental Income test. If the combined parental income exceeds \$31,400, Youth Allowance payments are reduced and once parental income reaches \$68,361.6 'dependent' students are entirely ineligible for Youth Allowance.

The expectation that students under 25 will receive parental financial support causes great hardship to those receiving limited to no funds. Students in real financial need are effectively written out of the system, exacerbating student poverty. There are a number of underlying assumptions inherent in this policy which need to be interrogated. Firstly the assumption that students under 25 years of age are financially dependent on their parents and receive financial support is anachronistic with the realities for many students and their families. Furthermore, according to the University of Melbourne breakdown of the *Australian Student Finances Survey* 37.3% of students receiving financial support from their family or other private sources answered that they felt they were placing financial pressure on their supporter by being at university.¹⁴ (See Table 1 above).

Additionally, the presumption that a parental income of \$31 400 can support 'dependent' students without experiencing financial hardship is unrealistic, as evidenced in the table above. The average University of Melbourne student's total yearly expenses were calculated at \$14 310, not including any potential relocation costs if the student is unable to live at home during their study. This is almost half the parental income threshold. Many families cannot afford this, which forces

¹⁴ Bexley, Emmaline. *Student Finances at the University of Melbourne*. Presented to Melbourne Experience Committee, 19 September 2007. Item 4.3. 6.

students to work long hours and/or families to make significant sacrifices, including taking out loans of large sums of money to pay for their child's tertiary study.

Table 2: Undergraduates' annual expenses (\$)

	Melbourne Undergrad.	National Undergrad.	Significance level
Total Expenses mean	14310.3	17509.2	**
median	10267.5	12630.0	
Male	14258.5	17177.9	**
Female	14005.8	17975.1	**

Source: Bexley, Emmaline. Student Finances at the University of Melbourne.¹⁵

Lastly, the parental income threshold ignores the realities of many students who may be estranged from their parents and cannot access private financial support. For many students, university is a time that they develop their adult and independent selves. For some this may include sexuality, political, religious or other transformations that are not accepted or embraced by their families. It is for this reason that UMSU has a number of services including Women's, Queer and Welfare departments to meet the needs of these students, particularly in the face of lack of consideration for real family situations in the income support framework.

UMSU Recommends that if the parental income test is to remain, there must be a comprehensive review of actual family incomes and expenditures, that would form the basis for an increase to the income threshold. Such an increase should be indexed annually.

What is "independence"?

Over time the 'age of independence' has varied significantly. In the early 1990s it was progressively lowered to 22 years, before being raised to 25 again in 1998. Some families cannot or will not support children through tertiary education. The age of independence and subsequent parental income test does not effectively reflect the capacity of low-income families to support adult children. Nor does it reflect many family expectations and relationships. It is noted in the Discussion Paper that financial disadvantage is a barrier to student access and participation at university. UMSU believes that lowering the age of independence would increase effective participation rates amongst young people from low to modest SES backgrounds.

¹⁵ Source: Bexley, Emmaline. *Student Finances at the University of Melbourne*. Presented to Melbourne Experience Committee, 19 September 2007. Item 4.3. 4.

Currently the age of independence for university students is 25 years. Many University students are forced through circumstances or by choice to lead an independent life when they begin studying. The 2007 Melbourne Experience Survey illustrates that 70% of students at the University of Melbourne exceed the recommended limit of 10-15 hours of paid employment while studying. In fact, many students work far in excess of this amount, and as consequence, hours per week spent studying and hours per week on campus are overall minimal.

Figure 3:

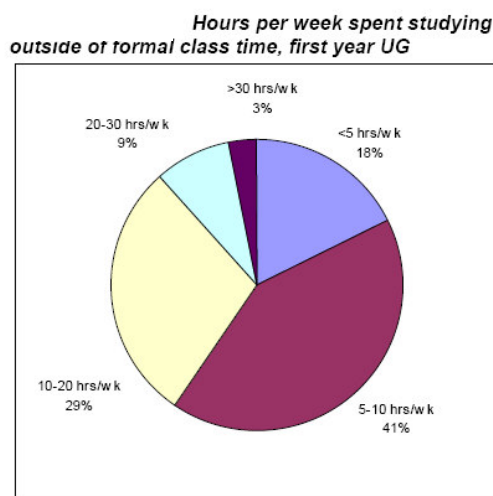
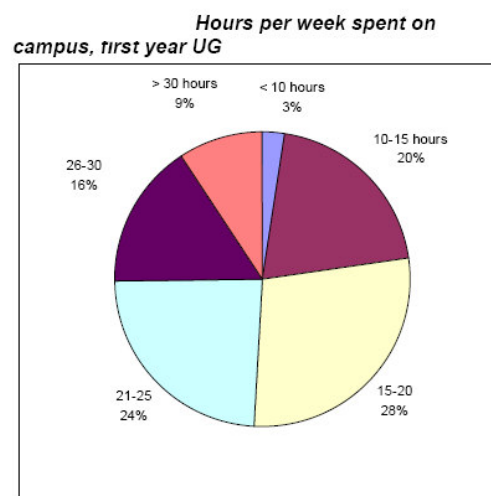


Figure 4:



Source: Melbourne Experience Survey, 2007.¹⁶

The survey also found a correlation between students engaging in large amounts of paid employment and a lower overall feeling of satisfaction, and academic connectedness. UMSU believes that lowering the age of independence would recognise and support the autonomy of young adults, and better enable them to participate in higher education by minimising financial pressures and hours needed to be spent off campus.

UMSU recommends that lowering the age of independence be investigated.

¹⁶ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 25.

The Student Income Bank and the Poverty Line: a Paradox in the income support framework

Student income support is lowered when gross income exceeds the defined income-free area. The income free area has not been indexed since 1993, and a fortnightly income between \$236 and \$316 reduces payments by 60 cents in the dollar. This means student payments stop when a student living at home earns \$639.17 per fortnight and when a student out of home earns \$841.67 per fortnight. A House of Representatives Enquiry in 1991 recommended the income-free area be raised to \$8,000 per annum, with earnings over this threshold only reducing payments by 25 cents in the dollar. Despite this, the income-free area has not increased. In 2008 prices, the \$8,000 recommended in 1991 is approximately \$12,181.33 per annum, or \$468.51 per fortnight.

Additionally, there is a discrepancy between rate of payments and the real costs of living for University of Melbourne students. The Henderson poverty line in the December 2007 quarter was \$748.22 per fortnight. Student payments (Youth Allowance and Austudy) are a maximum (single person, no children, living away from home) of \$355.40 per fortnight. If the recipient is eligible for Rent Assistance this increases by a further \$70.27 (share accommodation) or \$105.40 (living alone). Current payment rates are well below the Henderson Poverty Line. Maximum student payments, with Rent Assistance come to only 69.87%. Additionally, Rent Assistance is grossly inadequate comparative to real rental prices, and quarterly increases in payments do not reflect the rental market. This has become of particular concern to University of Melbourne students who are being significantly affected by the rising costs of the rental market and the 0.1% rental vacancy rate in inner Melbourne.

When student income support was first envisaged, it was designed to be a liveable allowance while studying. In subsequent years, it has been argued that payments are an income supplement. There is a paradox operating in the current income support framework where payments are neither a livable allowance, nor are students allowed to earn a livable income in addition to their payments to meet the real costs of being a student. Due to this, many students communicate to UMSU that they are forced to 'cheat' the reporting frameworks in order to earn a livable income. In light of this, UMSU argues strongly that rate of payments and the income bank are in great need of examination and reform.

UMSU recommends that the student income bank be increased, and indexed, and that student income support payments match with the Henderson Poverty Line
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Scholarships as income

At present, many scholarships count as payment for Centrelink purposes, and eat into the student income bank. Therefore, many students awarded scholarships, either on a merit or equity basis, may receive reduced student payments as a result, or be altogether penalised for working (if the scholarship is \$6,000 or more – the current income-free area). Ultimately, the scholarship from a University, or other awarding body, merely replaces money that may otherwise be payable by Centrelink. The student ends up not being better off by receiving the scholarship and the struggle of trying to balance work and study remain.

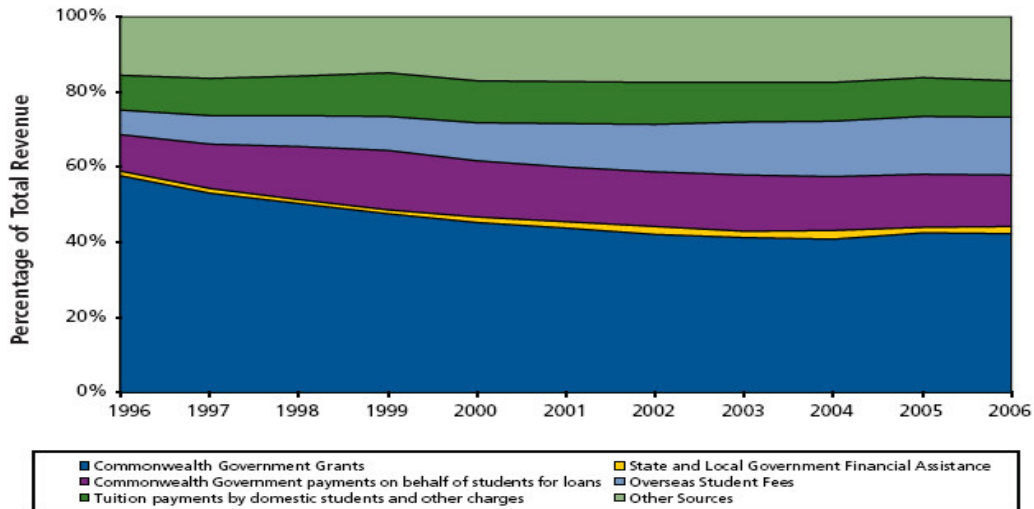
UMSU strongly urges that scholarships be exempt from the student income test and income bank.

UMSU is also concerned by the financial pressures many students face carrying out compulsory course requirements such as internships, work placements and practicals. Such activities can often involve physical relocation, transport costs and loss of income earning capacity. This can be particularly stressful for low SES students. UMSU feels that there needs to be an investigation into an income support scheme to support students through compulsory course placements and internships.

The social, cultural and educational experience of students at the University of Melbourne

With the introduction of the Melbourne Model this year, the University of Melbourne is moving toward a model of much larger student course cohorts, and even subject cohorts, in the New Generation degrees. In light of findings from the 2007 Melbourne Experience Survey that indicate declining levels of student engagement on campus and feelings of academic disconnectedness, UMSU is concerned for the social, cultural and educational experience of students at the University of Melbourne. The survey highlighted the increasingly minimal hours of time spent on campus, arguably due to ever decreasing amounts of course contact hours over recent decades. Student experience was found to be atomised and feelings of anonymity and isolation were evident. In order to counter these negative student experiences, UMSU argues that the Commonwealth and universities must commit to the provision of a vibrant, diverse and inclusive student culture through the full funding of student organisations. Additionally UMSU urges that increased public funding of higher education is desperately needed to restore adequate academic collegiality and improve the teaching and learning experience.

Figure 5: Higher education sources as a percentage of total revenue, 1996 – 2006 (constant prices)



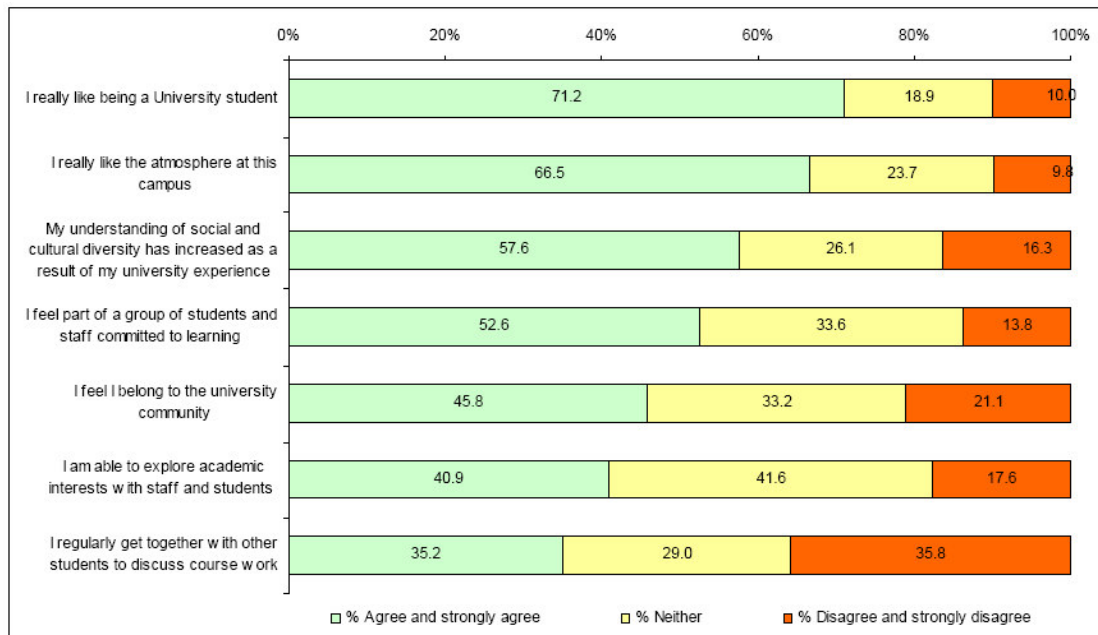
Source: DEEWR 2008 (based on Finance Selected Higher Education Statistics, various years)¹⁷

The Discussion Paper notes that ‘in the public universities, resources have been under increasing pressure for some time as student numbers have outstripped Commonwealth funding for teaching. Student-staff ratios have grown markedly, from 12.9 in 1990 to 20.3 in 2005’¹⁸ The 2007 Melbourne Experience Survey demonstrates the subsequent impact of this increase on the student learning experience. While 53% of students reported that they ‘really like being a university student’, only 53% agreed that they felt part of a group of students and staff committed to learning. Only 41% agreed that they were able to explore academic interests with staff and students and a low 35% agreed that they regularly get together with other students to discuss coursework. UMSU strongly argues that these negative responses are directly related to the increasing staff:student ratio.

¹⁷ Reproduced in Review of Australian Higher Education: Discussion Paper (2008). 10.

¹⁸ Review of Australian Higher Education: Discussion Paper (2008). 12.

Figure 6: First year student perceptions of university culture and community

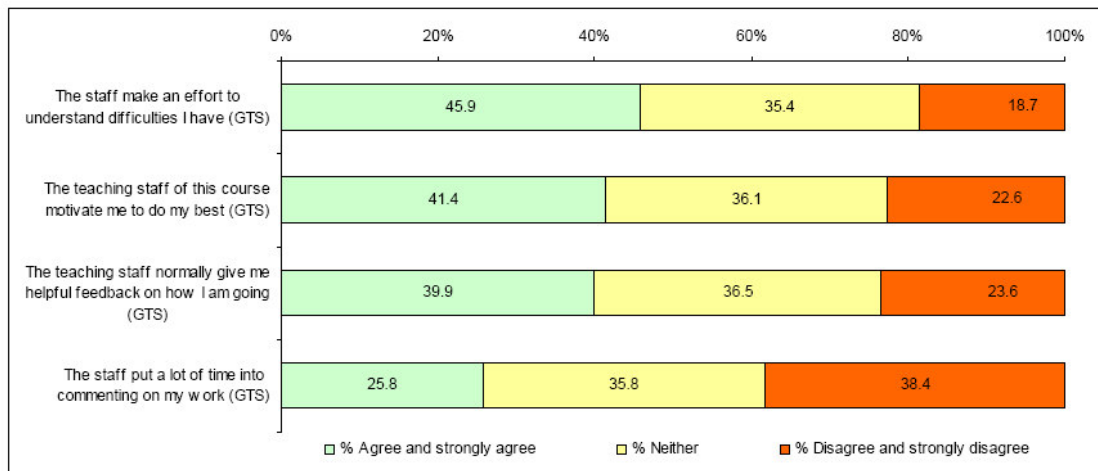


Source: Melbourne Experience Survey, 2007.¹⁹

UMSU has particularly followed developments in the University of Melbourne Arts faculty this year. Late last year 457 subjects were cut from the faculty, which has significantly restricted subject choice and increased lecture and tutorial sizes. In a survey conducted mid-semester, the majority of respondents (136 of 188) had encountered difficulties stemming from the size of classes (tutorials, lectures and seminars). Most of these difficulties centred on the limitations that increased class sizes put on interaction and discussion. This is reflected in the 2007 Melbourne Experience Survey, as is growing dissatisfaction with the level of feedback and support. Fewer than half (41%) of respondents in the Melbourne Experience Survey agreed that staff gave them helpful feedback, and only 26% agreed that staff put a lot of time into commenting on their work.

¹⁹ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 22.

Figure 7: First year student perceptions of teaching and support



Source: Melbourne Experience Survey, 2007.²⁰

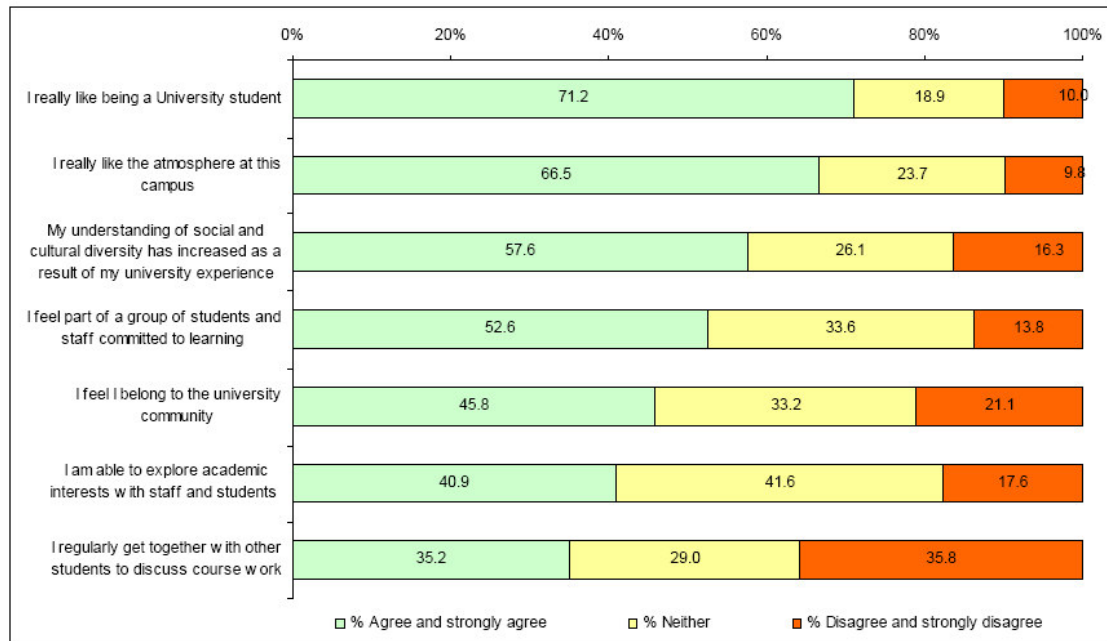
UMSU acknowledges the pressures and workloads of the contemporary academic workforce. We strongly believe there is a link between the increase in staff:student ratios and the casualisation of the new and lower tiers of the academic workforce, and the declining levels of student satisfaction with feedback, teaching and learning. These factors mean that lecturers and tutors are less available for one-on-one discussions with their students, or to facilitate opportunities for students to participate in collaborative extracurricular activities. UMSU believes that this significantly undermines the academic collegiality of the university experience. Furthermore, increased sizes of classes and overall student cohorts, limits student interaction and makes it more difficult for students to interact independently. This is of particular significance for low SES and international students who tend to be disadvantaged when it comes to pre-existing social networks when they arrive at university.

For this reason UMSU reiterates the importance of student organisations in bridging the deficiencies of the student learning experience in forging relationships and social interaction, particularly between different groups of students. UMSU would like to acknowledge the great importance and contribution that the diversity of student backgrounds brings to the student experience, and laments the restrictions that VSU places on the ability of student organisations to further facilitate interaction and cultural awareness. The Melbourne University Overseas Students' Service plays a significant role in fostering exchange of cultural awareness and this is reflected in the Melbourne Experience Survey findings that a large number of students felt that

²⁰ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 17.

their 'understandings of social and cultural diversity has increased as a result of my university experience.'²¹

Figure 10: First year student perceptions of university culture and community



Source: Melbourne Experience Survey, 2007.²²

²¹ The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 22.

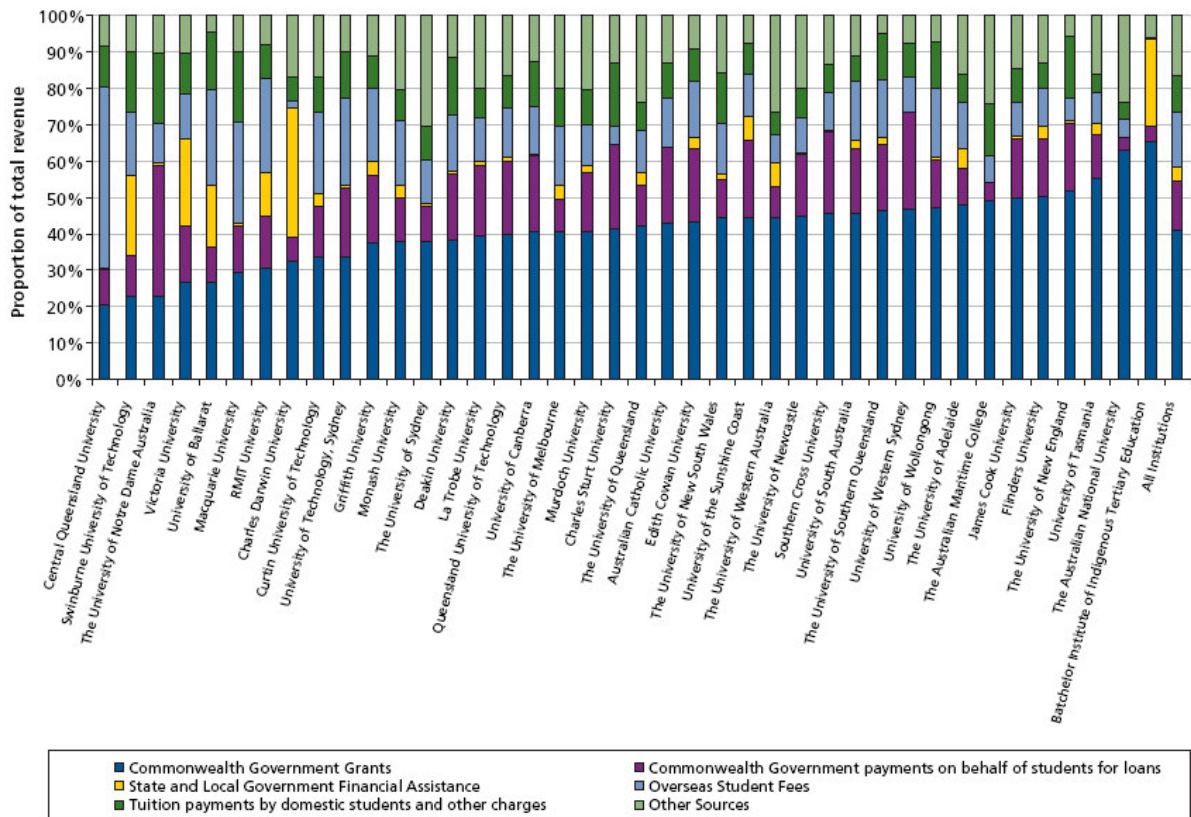
²² The University of Melbourne Planning Office. *Melbourne Experience Survey 2007*. Presented to Teaching and Learning Quality Assurance Committee, 12 June 2008. Item 6.1.1. 22.

Higher Education's Role in the National Innovation System

'Teaching only' universities?

UMSU believes that research is an integral aspect of university learning, and that a culture of scholarship is of most benefit to students, and the teaching and learning community. For this reason, we strongly reject any proposal to move to a two-tiered university sector comprised of research and 'teaching only' universities. Figure 2 of the Discussion Paper visually represents the disparity of wealth and income sources across the sector, and we believe that such proposed reforms will overwhelmingly benefit the more established 'sandstone' and group of eight universities, at the expense of the innovation and diversity that the current sector enjoys as a result of newer, less established and varied institutions.

Figure 11: Comparison of revenue by higher education institution and source (VET revenue included), 2006



Source: DEST 2007a, Finance 2006, Financial Reports of Higher Education Providers

Australia's Higher Education Sector in the International Arena

Consequences of the internationalisation of higher education in Australia

UMSU is committed to promoting increased engagement and interaction with international students. It is the conditions under which internationalisation is occurring that is problematic. The significant under-funding of the tertiary sector in Australia forces Universities to treat internationalisation principally as a financial mechanism.

UMSU believes that International students at the University of Melbourne have been financially exploited by the current education system. In providing some solution to this issue, we believe that a publically funded education system, where the government fully funds student positions in universities, would prevent such exploitation. We believe all students, both domestic and international, should be treated equally. It is critical, as a matter of urgency that significantly increased funding be provided to the tertiary sector for the provision of quality accessible education for domestic and international students.

UMSU recommends that the government abolishes full-fees for international students and provides government funding for international student places.

UMSU would also like to highlight the dire housing situation that international students face when arriving in Australia. International students are impacted by the limited supply of affordable and unacceptable housing conditions. This issue should be brought to the attention of international students before they arrive in Australia, so that they can make a fully conscious decision about their studies and make provisions before arriving.

UMSU recommends that Universities develop additional affordable residential colleges which will be accessible to international students.

UMSU supports the conclusions drawn in the paper “**International Students - A Segregated and Vulnerable Workforce**” by Chris Nyland, Helen Forbes-Mewett, Simon Marginson, Gaby Ramia, Erlenawati Sawir, Sharon Smith, in that it highlights the effects on international students of exorbitant fees and their desperation to offset their costs by seeking forms of work and levels of payment unacceptable to locals.

UMSU recommends that the cap on working hours for international students should be more flexible, to allow international students greater ability to meet their education and living costs. Greater flexibility around working hours would provide for greater cultural engagement and increased participation of international students in the broader Australian community.

With the rising cost of living and education fees, international students need greater welfare provisions. International students should be able to access Centrelink and be eligible for student concession cards.

Finally UMSU recognises the importance of international students in enriching the intellectual and cultural life on university campuses. To facilitate greater participation and support for international students, UMSU believes that student unions play a key role and demand that the government repeal the Voluntary Student Unionism legislation that has crippled the ability of student unions around the country and undermined their ability to play this role.

Higher Education's contribution to Australia's economic, social and cultural capital

Knowledge Transfer and Community Engagement

UMSU strongly believes that there is great benefit to universities engaging in knowledge transfer, we are however sceptical of such initiatives being concentrated in private business enterprises and interests. Umsu also believes that if public higher education funding is increased, and access problems overcome, then universities will be fulfilling knowledge transfer through increased participation in higher education, and its subsequent social and economic benefits. Having said that, there is also concern that knowledge transfer or 'third stream activities' may place added burdens on already financially stressed and time poor students. For student participation in knowledge transfer to be equitable and available to all students, mechanisms need to be investigated for financing the participation of students who may be at an economic disadvantage to participate.

Potentially related to student participation in knowledge transfer activities is the suggestion of a volunteer HECS corp that came out of the 20/20 Youth Summit. The main thrust of the proposal was that students could 'work off' their HECS debts through volunteer work while studying. Umsu believes that unless mechanisms are devised to enable all students to have an equal capacity to participate in such schemes, they are prone to disadvantaging time poor and financially constrained students. While operating under a system that places Centrelink dependent students below the poverty line, and the fact that many students are already working long hours to support themselves, Umsu believes that students would struggle to find the time to volunteer work while studying, rendering this scheme inaccessible to a large group, of predominantly already financially disadvantaged, students.

Resourcing the System

Consequences of current arrangements in higher education funding

UMSU is committed to the promotion of free and accessible government funded education, and to this end we urge the Commonwealth to increase public spending on higher education as a proportion of GDP. We believe that increased levels of private student contribution does impact on student choice to participate in higher education, particularly amongst low SES and indigenous students. We are strongly opposed to further increases in HECS rates, and any proposed removal of maximum HECS caps.

How to secure Australia's higher education sector?

UMSU believes that the current reliance on international and domestic private contribution revenue does not secure the future of the higher education sector. This has recently been seen through the Labor Party's decision to discontinue Domestic Undergraduate Full Fee places, as well as unexpected decline in international student demand for certain courses at the University of Melbourne which has severely impacted on some faculties. We strongly argue that there needs to be serious governmental prioritisation of higher education and long term commitment to public funding. UMSU rejects the emphasis on productivity and competition in the Discussion Paper. We believe that higher education should be premised on public access and ability to participate. The decades of public investment in higher education, and some particular institutions over others, has created the 'modern higher education industry' that the Discussion Paper refers to. Public access and benefit must be guaranteed through continued and increased serious public investment.

UMSU recognises that the HECS model of funding is one that pushes the burden of the cost of education onto students. The effects of this is to discourage people from lower socio-economic backgrounds from participating in higher education and reduces the capacity for the greatest number of students to receive an education. Recognising that all students should be treated equally, we are strongly advocating a publicly funded tertiary education system that is not based on profit generation. As an organisation, we are committed to the pursuit of this aim, without regard to race, sex, age, disability, mental illness, economic circumstances or national or social origin.

Governance and Regulation

Suggestions for the improvement of university governance

As the largest stakeholder within the university community, UMSU believes that students have a critical role to play in university governance and believes that student participation should be supported and enhanced by the university.

UMSU reject arguments that seek to restrict student participation in university governance on the grounds of 'lack of special expertise'. We strongly believe that responsibility lies with the university to adequately skill democratically elected and appointed student representatives in areas where they may need specific or additional knowledges and skills.

We believe that university governance can not function to its best ability without the important contribution that student representatives provide. To this end, the full funding and independence of campus student organisations is critical to ensuing induction, training and support of student representatives to enable them to effectively carry out their role.

As a result of an internal UMSU review into student participation in university governance at the beginning of this year, UMSU set up a Student Representative Network (SRN). Beginning this year, UMSU advertises all committee and council positions to all students, and invites application based on previous leadership and advocacy experience, suitability to the work of each committee, and availability for the entire academic year. Candidates are appointed by a staffing subcommittee of the UMSU Students Council, and are then provided with an induction and training session that includes familiarising student representatives with meeting procedure, the university's governance and committee structures and the functions of senior executive and administration. If throughout the year it becomes apparent the student representatives need further training or specific skills, this has been negotiated with the University, such as the Finance Subcommittee of University Council.

UMSU recommends that full funding of student organisations be restored to enable effective student participation in university governance.
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Prepared by Onagh Bishop (Education - Academic Affairs Student Officer) , the University of Melbourne Student Union

Onagh.Bishop@union.unimelb.edu.au