

Student funding

Blair's Australian teachers

Julie Connolly, Education Vice-President at the University of Queensland Students' Union, told us about the Australian system of student income support, and student contributions to university fees, which has been presented as a model by right-wingers in the British student movement and the Labour Party.

THE HECS system, under which students pay partial fees, was based on the argument that students must contribute to their education. But we have a progressive taxation system in Australia. People who earn more, pay more tax. If people have benefitted from a university education through increased earnings, then they pay more tax.

Instead of introducing what are effectively discriminatory measures, which militate against the entry of a range of students from different backgrounds into higher education, the government should use the progressive taxation system to fund the increase of higher education.

At the time when HECS was introduced, some people argued that industry should be taxed, rather than students. That fell by the wayside, but it was interesting that corporate tax was reduced from 40% to 33% at the same time that fees were introduced for students. There are alternatives to charging students fees.

During the 1980s the population at universities broadened considerably, because university education was free. We haven't yet seen it narrow, except that the rates of female participation have started to decrease where there are fee-paying courses; but the numbers of students from Aboriginal or Torres Strait Islander backgrounds, or lower socio-economic backgrounds, are still very low. University education is still very much the bastion of the middle class.

HECS [the Higher Education Contribution System] was introduced by Labor in 1989. The year before, an administration fee for higher education of \$250, paid up-front, had been introduced; prior to that, tertiary education had been free.

Under HECS, the federal government would subsidise higher education, but students would contribute, on average, 15% — it has now increased to about 25%

— of the cost. The contribution is a flat rate for all colleges and all courses, regardless of actual cost.

Students can choose to pay their HECS up-front, and then they get a 25% discount; if not it becomes a debt to be paid through the taxation system once the students are employed. Repayments are graduated according to income, so someone earning \$25,000 (about £12,500) might only be paying one per cent of their income, but once you get up to \$30,000 you are paying three or four per cent.

The debt is indexed to inflation, and this discriminates against people who are unemployed or drop in and out of the workforce, for example women having children. The debt hangs over their heads a lot longer, and it accumulates.

HECS is only available for a first degree. The situation with postgraduate degrees is a bit fuzzy. The federal government has deregulated fee-paying for course-work degrees, but research degrees are still HECS-liable.

Austudy — income support for students — is contingent on parental income unless the student is over 22. On this campus only about 30% of students get any Austudy at all. The percentage is higher at other universities, but the limit of parental income above which you get no Austudy is not very high. And with each Budget the system becomes available to fewer and fewer people.

Austudy is not a loan — it's a grant. But there are Austudy loans, too. If you receive, say, \$80 [£40] a week Austudy, and you want more money, you can trade in \$40 of the grant and receive \$80 loan in its place, making a total of \$120. Again, the loan is paid back through the taxation system once you start earning above the threshold, and is indexed to inflation.

One of the problems about Austudy which the student movement has been campaigning on is that there is no rent assistance. On other benefits such as dole or Jobstart, if you pay rent in excess of \$35 a week you receive rent assistance.

Full Austudy is \$120 a week. People do get by on it, but in Brisbane, for example, rents average between \$60 and \$75 a week, so it's really very difficult. Very, very few students get the full \$120. Also, Austudy decreases once you get over \$50 a fortnight from part-time work. About half the students on this campus have to work part-time to support themselves.

Public funding for higher education has been capped, so the proportion of funding for universities which comes from public sources will diminish in years to come. We have seen a proliferation of postgraduate fees, universities investigat-

ing corporate wings and centres for research which are privately funded. This campus has recently purchased the Bond University, which is Australia's main private university — there have been three, and none of them have done very well at all — as a means to subsidise what is generally unprofitable mass undergraduate teaching.

There is an increasing tendency to introduce broad undergraduate degrees and have professional education made postgraduate. Just recently, medicine at a few universities, including this one, has gone postgraduate, which sets a precedent for law and perhaps engineering to require students to complete an undergraduate degree before going ahead. The university has struck a deal whereby the medical courses will still be HECS-liable, but the future of that is uncertain.

The Coalition [the Liberal-National alliance which won power on 2 March] wants to introduce voluntary student unionism and undermine the power of student unions to be political representatives, and to diminish public funding and support the creation of private educational alternatives. The Liberal governments in Victoria and Western Australia have attempted to introduce voluntary student unionism. This has been mitigated somewhat by Labor federal government legislation which has continued funding to the student unions. I think the Coalition will continue the HECS system, since it has proven very popular electorally, but provide universities with greater scope to charge fees for degrees — for example, full fee-paying places for extra students on top of the HECS-funded places.

The National Union of Students was formed in response to the introduction of HECS in 1989. There had been previous national bodies, but they folded in the early '80s. The student campaign against the loan system, with limited support from the National Union of Students, was run by a range of campuses and spearheaded by the left groups on campus like the International Socialists and Resistance.

NUS is factionalised in a very similar way to the Australian Labor Party. There's the Labor right — "Labor Unity." The National Organisation of Labor Students has both a left and a right component; then there's the Left Alliance, which is a separate group, and a few Liberals and independents. It maintains opposition to increases in HECS, the Austudy loans scheme, and so on, but whether it puts any money or active work into campaigning depends very much on the politics of the National Executive. ■