

Council of Australian Postgraduate Associations (CAPA)

2019-20 Pre-Budget Submission

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of the Council of Australian Postgraduate Associations (CAPA)
and its affiliated member organisations.

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**Foreword**

The Council of Australian Postgraduate Associations (CAPA) is the peak body representing the interests of the over 400,000 postgraduate students in Australia. We represent coursework and research, as well as domestic and international, postgraduates. We are comprised of 28 university and campus based postgraduate associations, as well as the National Aboriginal and Torres Strait Islander Postgraduate Association (NATSIPA).

CAPA carries out its mission through policy, research, and activism, communicating the interests and issues of postgraduate students to higher education stakeholders as well as Federal and State Governments, Opposition parties, and minor parties. We welcome the opportunity to contribute our perspective on the Government’s upcoming 2019/20 Budget.

Investment in education and research have been eroded over the past several years, owing to budget repair. In spite of the Government’s declared commitment to an ‘innovation’ economy, the higher education sector has suffered continuous cuts and funding freezes. Given the budget surplus now reported, we echo the plea of Universities Australia (2018a) that the Government must take this opportunity to reinvest in the nation’s research capabilities. In particular, there is an urgent need to develop Australia’s future innovators: our current and prospective postgraduate students.

In this submission, we identify several key areas of crisis in higher education, and in postgraduate education especially, and make four recommendations. These recommendations are that:

1. Income support payments such as Austudy be extended to all full-time domestic postgraduate students;
2. The number of Medicare subsidised psychologist sessions available under mental health care plans be extended from a maximum of 10 to a maximum of 12, for all mental health conditions that are currently subject to the 10 session cap;
3. Research investment be increased to 3% of GDP; and
4. The Government investigate options for price regulation of postgraduate coursework degrees.

**Extending income support to research and coursework domestic postgraduate students**

Most domestic postgraduate students cannot access study payments, even if they have no income. Currently, a limited and patchwork income support system is in place, where domestic postgraduate coursework students may be eligible for study payments only if their course is listed as the minimum, fastest, or only pathway to gain an entry-level qualification for their profession (Australian Government, Department of Social Services, 2018). Only 28% of courses at public universities are approved for income support (Council of Australian Postgraduate Associations, 2018a). Research students are not eligible for any Centrelink study payments, with some students attaining competitive stipends. However, in 2016 (when data was most recently available), only 37% of commencing domestic research students held directly Commonwealth-funded stipends (Council of Australian Postgraduate Associations, 2018a). From 2012 to 2016, the number of stipends awarded annually remained stable at around 3,500, yet postgraduate research student numbers increased by 5% over this period (Council of Australian Postgraduate Associations, 2018a).

We believe that income support for postgraduate students is at a crisis point - a situation that only worsens year on year as the number of domestic postgraduate students increases. Our arguments and evidence on this issue are outlined in detail in our discussion paper on postgraduate income support, released late last year (Council of Australian Postgraduate Associations, 2018a).

The need for income support to be expanded to include postgraduate students was highlighted in the 2008 Bradley Review of Australian Higher Education, in which the authors stated that reforms to income support are necessary to enable students from low socio-economic backgrounds to complete their postgraduate studies (Bradley, Noonan, Nugent, & Scales, 2008). The expansion of income support to all full-time postgraduate students has been costed at $5.72 Billion over ten years by the Australian Greens (2018) - $572 million per year.

Expanding income support would enable more students to complete and succeed in their courses, and would ensure that the Government’s investment in research and education is utilised more efficiently. Financial pressure is one of the key reasons that students withdraw from their studies prematurely, and improving income support has the capacity to increase completions and therefore reduce wastage of funds (Universities Australia, 2018b). Extending income support to research students would also result in more the productive use of Australia’s research investment. The Government invests in research training, yet many research students withdraw from their studies or exit academia upon completion due to financial stress. Easing the burden by providing income support would also enable research students to become more productive researchers by reducing their need to engage in paid work that does not contribute to their research activities.

On this basis, we recommend that the Government extend income support to all full-time domestic postgraduate students in the 2019/20 Federal Budget.

**Increasing mental health support available to students**

The prevalence of mental health disorders and sub-clinical mental distress has been on the rise throughout Australia and other Western nations. Of particular concern to CAPA is the relative frequency with which students, especially postgraduate students, are experiencing mental health issues. An Australian study of over 6,500 students at two Australian universities found that over 19% of students currently had a mental health disorder, while over 67% of students were experiencing sub-clinical distress (Stallman, 2011). It has also been found that prevalence rates for mental health disorders and distress are significantly greater in graduate research students than in typical undergraduate samples (Levecque, Anseel, De Beuckelaer, Heyden, & Gilse, 2017).

Currently, all Australian Citizens are eligible to receive up to 10 medicare supported sessions with a mental health expert (e.g., a psychologist) per year under a Mental Health Care Plan. The most common and accepted therapy technique is Cognitive-Behavioural Therapy (CBT). Manualised CBT is generally designed to be conducted over 10 to 12 sessions. For straightforward cases with clients that are capable of introspection of their cognitive and emotional processes, the Mental Health Care Plan is a suitable treatment option for an acute period of mental health distress. However, more time with a mental health professional is needed for those individuals with more difficult cases, those with ongoing mental health issues, and those who require time to learn techniques for introspection that are needed to successfully complete therapy. This often results in individuals with mental health issues positioning their sessions at the end of coverage period, enabling them to gain another Mental Health Care Plan at the start of the following period and allowing for more sessions in succession.

The Commonwealth has already recognised that the current 10 sessions is insufficient for some mental health conditions, and they recently extended the total number of Medicare subsidised session for individuals with eating disorders to up to 60 sessions (Aubusson & Thomson, 2018). CAPA commends the Government for this decision. However, we feel that many other mental health disorders require additional psychological support. In particular, students have an increased likelihood of experiencing mental health disorders, and, when they do, they are more likely to be severe. Student populations, who live with increased demands and stressors that work to reduce the efficacy of shorter treatment periods, would greatly benefit from this increased support.

We therefore recommend that the Commonwealth Government extend the Mental Health Care Plan from a maximum of 10 sessions to a maximum of 12 sessions per year. Based on 2016/17 usage of Mental Health Care Plans, along with current rebate rates, we estimate that this would incur an additional cost to the budget of $102M-$150M (usage numbers and rebate values sourced from Triple J Hack, 2017). This price estimate assumes that all individuals with a Mental Health Care Plan would utilise these additional sessions, however, the additional sessions would not be needed by all. If 50% of users took advantage of these additional sessions, this cost would fall to $51M-$75M, with the final cost depending on the length of each session.

**Increasing research funding**

CAPA is deeply concerned by the unexpected $328.5 million cut to research funding announced in the December 2018 Mid-Year Economic and Fiscal Outlook, which is double the size of the previously anticipated cut. These cuts targeted Higher Degree by Research (HDR) students, freezing the number of scholarships available so that there were 500 fewer recipients in 2019 (Gardner, 2018).

Even prior to December 2018, Australia’s investment in research and development, as a percentage of GDP, is critically low when compared with historical funding levels as well as with other nations in similar economic circumstances (Universities Australia, 2018c). The long-term benefit of funding scientific research, both in terms of dollar returns and contributions to the public good, are well-known. Australia’s ability to become a knowledge economy is being paralysed by current low investment levels.

CAPA is also concerned with current decision-making practices in relation to Federal research funding. We believe that Federal research funding should be directed to respected public entities only and distributed in a way that upholds the research community’s values. Last year, the Government gifted almost half a billion dollars in funding, through an opaque and non-standard pathway, to the Great Barrier Reef Foundation. Given the size of this sum and the issues around transparency, we suggest that steps be taken to revoke the Great Barrier Reef Foundation’s funding and to distribute it through more appropriate, peer-reviewed channels.

Recent Government research investments have allocated funding for building or upgrading experimental facilities. However, without ongoing basic research and a stable scientific workforce, these facilities cannot reach their full potential. We note that a scientific workforce includes funded doctoral students, as research students perform the majority of research-hours in Australia (Australian Bureau of Statistics, 2018). Research funding must be secure, fairly distributed, and available for humanities as well as for scientific projects.

Therefore, we recommend that the Government drastically increases its research funding. We echo Science and Technology Australia’s (2017) call for the government to increase research investment to 3% of GDP. Moreover, we recommend that this investment occur transparently and is made available to public entities only: in particular, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC), and to universities via Research Block Grants.

**Regulation of postgraduate course fees**

The Government has indicated that the level of national student debt is a cause for concern (Commonwealth of Australia, 2018, p. 1335). This was the rationale for changes made last year under the Higher Education Support Legislation Amendment (Student Loan Sustainability) - HESLA Bill 2018, which placed restrictions on borrowing for Commonwealth-supported courses, and lowered the repayment threshold for income-contingent HELP loans. CAPA opposed the changes made under the HESLA bill as they disadvantage a large number of Australians (Council of Australian Postgraduate Associations, 2018b). Moreover, these changes do not represent an effective means of reducing national debt. Instead, reducing tuition fees would be a far more impactful way of mitigating national student debt.

Postgraduate tuition is increasingly expensive, following the progressive deregulation of postgraduate coursework degrees in the late 1980s and 1990s. This, combined with the fact that universities are being pushing into running high-fee postgraduate coursework degrees in order to make up for funding shortfalls, means that more and more postgraduates are paying hefty tuition fees. Our research has found that the vast majority of postgraduate students - 70% - enrol in full-fee paying places (NUS, CAPA, GSA, UWA Student Guild, & UMSU, 2018). For some of the most popular undergraduate and postgraduate degree combinations, typical study fees range from $70,000 to $120,000. The majority of this cost comes from deregulated postgraduate degree fees. While a three-year undergraduate degree typically carries a student contribution of $20,000 to $30,000, full fee coursework masters degrees often cost around three times this amount. There is a distinct lack of transparency when it comes to how much postgraduate coursework degrees cost to deliver, and how much of student fees is retained by the universities as profit or to offset under-funding in other areas.

In a deregulated postgraduate degree setting, higher education providers can enrol as many students as they wish in each course. Each of these students, under the new borrowing limit legislated by HESLA, can borrow $104,440 (or $150,000 for medicine, dentistry, and veterinary science students). In the mid-2000s, as the number of postgraduate students climbed, full-fee paying domestic students gained access to loans under HELP (Norton & Cherastidtham, 2015). By removing regulations on student enrolments and the amount that universities can charge for postgraduate coursework degrees, the Government has lost control of the amount they loan through the HELP system.

We contend that a return to some form of price regulation for postgraduate degrees would assist students by reducing the amount of debt they hold as individuals, and would assist the Government in making budget savings by reducing the amount of money that they would otherwise have loaned. We recommend that the Government establish a review into postgraduate coursework fee regulation to explore options and to better understand their future impact on the higher education system.

**Conclusion**

In our pre-budget submission, we have made recommendations focused on four key areas of crisis. We have identified two mechanisms to support completions and success for postgraduate students: the extension of income support provisions to include all full-time domestic postgraduate students, and improvement of access to mental health support services. We also recommend that research investment be increased in line with higher education spending in other comparable economies, in order to foster long-term growth and vision for the nation. Finally, we have proposed one avenue for budget savings: a return to the regulation of postgraduate course fees.

We thank the Government for this opportunity to contribute to their budget consultation process and for considering our recommendations.

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