

**Tasmanian University Student Association**  
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**4/09/2024**

Committee Secretary  
Senate Education and Employment Committees

By email: [eec.sen@aph.gov.au](mailto:eec.sen@aph.gov.au)

**RE: Universities Accord (Student Support and Other Measures) Bill 2024**

Dear Members of the Senate Education and Employment Legislation Committee,

The Tasmanian University Student Association (TUSA) supports and represents the interests of students across the University of Tasmania and appreciates the opportunity to provide feedback on the Universities Accord (Student Support and Other Measures) Bill 2024 (Bill). We welcome the Bill's intent to enhance the support provided to students within the higher education system. However, we believe that certain amendments would further align the legislation with the best interests of students. These amendments pertain to the provisions related to HELP indexation, the allocation of Student Services and Amenities Fees (SSAF), and paid practical placements.

TUSA acknowledges the Bill's significance, particularly in addressing critical areas affecting students' financial obligations and support structures. However, we suggest the following amendments to ensure that the legislation more effectively meets the needs of students.

**1. HELP Indexation and VET Loan Indexation**

The provisions within Schedule 1 of the Bill outline the amendments to the *Higher Education Support Act 2003* (HES Act) regarding the indexation of HELP and VET student loans. Specifically, the Bill introduces the Wage Price Index (WPI) as an additional factor alongside the Consumer Price Index (CPI) for calculating the indexation rates (Part 2,

Sections 18-19). While this is a positive step, TUSA recommends the following amendments:

- **Freeze HELP/VET Loan Indexation:** We propose an amendment to Schedule 1, Part 5 to include a temporary freeze on the indexation of HECS-HELP and VET loans for the next two years while inflation rates are elevated. The transitional provisions in Part 5, Section 56 could be expanded to reflect this change. This freeze would provide immediate relief to students by preventing the compounding of debt during economic instability.
- **Incorporate the Reserve Bank of Australia (RBA) Cash Rate:** While the Bill introduces the WPI in calculating indexation, TUSA suggests that the legislation also consider the RBA cash rate as a moderating factor in determining indexation rates (Schedule 1, Part 3, Sections 20-27). This would ensure that the indexation rate remains closely aligned with broader economic conditions, potentially further lowering the financial burden on graduates during outlier years such as those experienced recently.
- **Increase the Minimum Repayment Income Threshold:** The current minimum repayment threshold is too low, placing undue financial pressure on graduates. TUSA advocates for an amendment that increases this threshold to \$62,400 per annum, the median Australian wage. This would require adjustments to Section 140-10 of the HES Act, as referenced in Schedule 1 of the Bill. This change would ensure that repayments commence only when graduates earn a sustainable income, allowing them to manage their financial responsibilities more effectively.
- **Investigate the Permanent Removal of Indexation:** TUSA recommends that a provision be added to Schedule 1 for the Government to conduct a thorough investigation into the long-term feasibility of permanently removing indexation on HECS-HELP and VET loans. The findings of this investigation should be reported back to the Parliament, with a view to implementing a fairer system that does not exacerbate the debt burden on graduates.

## 2. Student Services and Amenities Fees (SSAF)

Schedule 2 of the Bill introduces changes to the allocation of SSAF, specifically requiring at least 40% of SSAF to be allocated to student-led organisations (Section 19-39). TUSA supports this initiative but believes the legislation could go further to enhance the autonomy and effectiveness of student organisations as follows:

- **Increase the Minimum SSAF Allocation:** TUSA recommends increasing the minimum allocation of SSAF funds to student-led organisations from 40% to 50% (Section 19-39(1)). This would provide these organisations with more resources to deliver essential services and advocacy for students. Amending this section would ensure that student led organisations are adequately funded to meet the needs of the student body, and are supported to reach and maintain financial sustainability. It would also ensure consistency across jurisdictions, noting that Western Australian universities are already required under Western Australian legislation to allocate at least 50% of SSAF funds to a Guild (as defined in the relevant legislation).
- **Ensure Full Autonomy for Student Led Organisations:** TUSA strongly supports the autonomy of student-led organisations. We propose an amendment to Schedule 2 to include explicit protections that prevent higher education providers from exercising undue influence or veto power over the decisions made by these organisations. This could be achieved by adding a new subsection under Section 19-39 that guarantees the independence of student-led organisations in their operations and decision-making processes.
- **Include Student Organisation Submissions in Transition Applications:** Schedule 2, Section 19-40 allows higher education providers to apply for transitional arrangements in allocating SSAF. TUSA recommends that the legislation require any application under this section to include a submission from the relevant student-led organisation. This would ensure that the interests and perspectives of students are considered in any transition plans, promoting transparency and fairness in the allocation of SSAF.

### 3. Paid Practical Placements

Schedule 4 of the Bill introduces provisions for paid practical placements in certain degrees, an initiative that TUSA welcomes. However, we have outlined areas where the legislation could be improved to better support students participating in these placements below:

- **Clarify Student Processes and Payments:** The Bill should more explicitly define the processes for students participating in paid placements, including the calculation and frequency of payments (Schedule 4, Section 41-10). This could involve amending Section 41-10 to include specific guidelines or criteria for how payments are to be administered, ensuring consistency and fairness across institutions.
- **Remove Means Testing for Placement Payments:** TUSA advocates for the removal of means testing for students receiving payments for mandatory practicums. An amendment to Schedule 4 could add a provision that ensures all students, regardless of financial background, receive equal compensation for their contributions during placements. This approach would recognise the value of all students' work and prevent additional financial barriers for those in need.
- **Expand Payment Eligibility to Other Degrees:** While the current Bill focuses on specific degrees, TUSA recommends that Schedule 4 include provisions for a phased expansion of paid placements to other degrees that include mandatory placements, including but not limited to, veterinary science, medicine, paramedicine, physiotherapy and psychology . This would provide more students with the financial support they need to successfully complete their studies, contributing to a more equitable higher education system. TUSA commends the Government's efforts in drafting the Bill. With the proposed amendments, we believe the Bill will better serve the needs of students by reducing financial burdens, empowering student led organisations, and enhancing the practical experiences that are crucial for student success. We urge the Senate Education and Employment Legislation Committee to consider these recommendations in their inquiry and report.

Signed,



Liam McLaren

President, Tasmanian University Student Association (TUSA)