

Monash Postgraduate Association (MPA) submission in response to the Australian Federal Government’s proposed amendments to the Higher Education Loan Program (HELP).

The Australian Government provides financial assistance to students through the Higher Education Loan Program (HELP) with the intention of removing up-front cost barriers to tertiary education by providing income contingent loans.¹

The proposed amendments to HELP can be summarized in three main points:

1. Changes to the HELP repayment threshold and brackets;
2. Creating a combined HELP borrowing cap for HECS, FEE, and VET-FEE loans;
3. Changes to how HELP debts are indexed.

Of these, the second proposed amendment contradicts the intended purpose of removing up-front cost barriers to education, in particular for postgraduate students, and will be the object of this submission.

Issue

The proposed amendment seeks to create a combined lifetime cap for all loans under HELP (including HECS, FEE and VET-FEE) to the amount of:

- \$150,000 for students undertaking medicine, dentistry and veterinary science courses; and
- \$104,440 for other students.

Band	Unit discipline group	Credit point	EFTSL	Commonwealth Supported Place (CSP)	
				2010 onwards	Pre-2010
3	Law, Dentistry, Medicine, Veterinary Science, Accounting, Commerce, Administration, Economics	48	1.0000	\$10,754	\$10,754
			0	\$0	\$0
2	Computing, Built Environment, Health, Engineering, Surveying, Agriculture, Mathematics, Statistics, Science	48	1.0000	\$9,185	\$9,185
			0	\$0	\$0
1	Humanities, Behavioural Science, Social Studies, Clinical Psychology, Foreign Languages, Visual and Performing Arts	48	1.0000	\$6,444	\$6,444
			0	\$0	\$0
	Education, Nursing	48	1.0000	\$6,444	\$5,157
			0	\$0	\$0

The above table, taken from the Monash University website², shows the annual cost of study for students on Commonwealth Supported Places. While most postgraduate students at Monash are full-fee paying and therefore not on a CSP, these figures are important to keep in mind as they are indicative of how much HELP students may have accessed during their undergraduate studies. This directly translates to how much money students will be able to access through HELP if they wish to pursue postgraduate studies under the proposed amendment. For example:

1. A Bachelor of Laws degree at Monash is 4 years long, costing at present a minimum of \$43,016 on a CSP, which would leave prospective postgraduate students with \$61,424 left until reaching their cap.

¹ <https://www.education.gov.au/higher-education-loan-program-help>

² <https://www.monash.edu/fees/fee-types/sca-calculator>

A Master of Laws degree at Monash is 2 years long at a full-fee cost of \$31,700³ per year, total cost \$63,400, leaving students \$1,976 to pay upfront.

2. A Bachelor of Engineering degree at Monash is 4 years long, costing at present a minimum of \$36,740 on a CSP, which would leave prospective postgraduate students with \$67,700 left until reaching their cap.

A Master of Advanced Engineering degree at Monash is 2 years long at a full-fee cost of \$35,300⁴ per year, total cost \$70,600, leaving students \$2,900 to pay upfront.

3. A Juris Doctor degree at Monash is 3 years long, with at present a minimum full-fee cost of \$38,900 per year, making a total cost of \$116,700, leaving \$12,260 over the proposed cap. In addition to this, the JD requires students to already hold an undergraduate qualification, the cost of which would possibly already have been accrued under HECS-HELP, further increasing the amount a JD student would be out of pocket.

The above scenarios present situations where students have only studied one undergraduate degree from start to finish, without failing and having to repeat any units (and therefore pay for/defer the fees to their HELP debt), and without making any changes to their studies (e.g. transferring to a different degree), before moving on to postgraduate studies.

These are ideal and unrealistic conditions that do not allow for any failed units or changes to be made to students' academic pathway, and these nevertheless all lead to students paying upfront for their studies at some point.

For example, a single full-fee engineering unit at Monash currently costs \$4,412.50. Should a Master of Advanced Engineering student fail even a single unit in their degree, the cost of repeating this unit would increase the student's upfront expenditure from \$2,900 to \$7,312.50. This represents a significant impost on students, a demographic with historically limited financial means.

Concerns

The MPA is concerned that this proposed amendment will put observable negative pressure on domestic postgraduate enrolments, as students who do not have the means to make upfront contributions towards the cost of their studies will be discouraged from pursuing postgraduate studies. This proposed change has the potential to affect all prospective domestic postgraduate students, and in particular for students studying subjects under bands 3 and 2, many of which are STEM disciplines which are in high demand and require substantial expertise. This is an undesirable outcome for a government wishing to promote a highly qualified and well-educated workforce.

Recommendation

The current cap on FEE-HELP loans allows prospective postgraduate students to understand what the extent of their borrowing capacity is, without having to factor in and be limited by how much they may have already borrowed for their undergraduate studies. It is important that HELP's intended purpose, that of removing up-front cost barriers to tertiary education, is not undermined by imposing a cap on HECS-HELP borrowing.

The MPA recommends the dismissal of the proposed combined cap for HELP loans.

³ <https://www.monash.edu/study/courses/find-a-course/2018/laws-l6004?domestic=true#entry-requirements-2>

⁴ <https://www.monash.edu/study/courses/find-a-course/2018/advanced-engineering-e6001?domestic=true#entry-requirements-2>