



30/01/2023

SUBMISSION TO:

**EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE**

**RE: EDUCATION AND OTHER LEGISLATION AMENDMENT (ABOLISHING INDEXATION AND RAISING THE MINIMUM REPAYMENT INCOME FOR EDUCATION AND TRAINING LOANS) BILL 2022**

This submission is lodged to you in my capacity as President of the Monash Graduate Association (MGA).

The MGA is a not-for-profit, independent, incorporated student association. MGA is governed by an elected committee of graduate students who work in conjunction with staff members in the interests of the graduate student community of Monash University.

The financial situation of graduate students is an ongoing challenge in the current economic climate with the cost of living crisis. The ever-increasing indexation on student loans and the lowered minimum payback threshold are adding to student stress levels. The MGA supports this bill to abolish indexation on student loans and raise the minimum payment income.

MGA's Research Team regularly collects data from the Monash graduate student community through surveys. The majority of students are already in a vulnerable position financially and have sacrificed a lot to further their education. Indexation is a deterrent to further education.

The MGA report, '**Graduate student Motivations and Practice**', 2022 found:

- The median estimated annual income for full-time domestic graduate coursework students at Monash in 2022 was between \$20,000 and \$29,999, while for full-time domestic Higher Degree by Research (HDR) students, it was between \$30,000 and \$39,999.

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At the MGA, we see the impact that financial strain has on our graduate community. Some students are graduating with debts of 100k+ from their undergraduate and graduate degree student loans. We would like to see our student community supported with the easing of financial pressure. Abolishing indexation and raising the minimum payback threshold so newly graduated students entering the workforce are more comfortable financially would provide some much-needed relief. The following testimonials from our student surveys highlight the stress our students are experiencing because of their financial situations.

### **Student testimonials from MGA surveys-**

*"The HECS debt keeps me awake at night!" (MGA 'Graduate student Motivations and Practice Survey', 2022)*

*"Last month I got \$2,308 from my PhD grant, and managed to spend "only" \$2,291 of it, saving \$17 this month. It required a lot of effort to do so, and leaves no space for unexpected expenses." (MGA 'PhD Stipend Survey', 2022)*

*"I have never turned the heating on during winter because I simply can't afford it." (MGA 'PhD Stipend Survey', 2022)*

*"I am consistently worrying about money and scraping the bottom of the barrel. Things like getting an occasional coffee and trying to be sociable are just unaffordable. If I do these things, I end up with not enough money for rent and have to go into the negatives in my account. Food prices in particular are just ridiculous right now." (MGA 'PhD Stipend Survey', 2022)*

Continuing to index student loans and having a low payback threshold further increases student poverty and disadvantage in an increasingly challenging economy. To reiterate, the MGA strongly supports the *Education and Other Legislation Amendment (Abolishing Indexation and Raising the Minimum Repayment Income for Education and Training Loans) Bill 2022*.

Yours sincerely,

Radhik Rammohan,

MGAEC President.

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