

Tuesday 2 May 2017

ASG calls for holistic education measures ahead of the budget

Following the Prime Minister and Federal Education Minister Birmingham's pre-budget education announcements, ASG welcomes the new offer of funding to states and territories and the step away from university fee deregulation.

ASG CEO John Velegrinis says while it's encouraging to see these changes, the May budget must deliver a fair and equitable budget across all sectors of education.

"Australian parents tell us that the cost of education in all education sectors (public, independent and private) continues to increase significantly. We urge the government to consider education policies holistically and invest in improving student outcomes and engagement at all levels of the education journey. This is essential for building the necessary skills and knowledge we need for a better future for Australia. Education is a fundamental right and a necessary plank of nation building and needs to remain affordable and equitable," says Mr Velegrinis.

Mr Velegrinis applauded the Prime Minister's announcement which provides more needs based funding to schools over 10 years and the appointment of David Gonski to lead another review of the education sector by the end of the year.

"We look forward to seeing the federal and state governments working together to achieve equitable education funding. We also call on all sectors to recognise the big picture and put the interests of Australia's students and teachers to the forefront. Without a truly bipartisan approach our educational decline against international competitors will accelerate. This is unacceptable to the vast majority of Australian parents. We need to urgently fix education funding in Australia.

ASG's position has always been that all Australian families and their children should have the opportunity to receive a quality education regardless of wealth, status and capability, and that a revised education funding model needs to preserve the ability for families to make a choice about their children's education," said Mr Velegrinis.

As part of the proposed higher education reform students will be required to repay their HELP/HECS debt as soon as they earn \$42,000 from July next year. Repayments will be indexed from 1.0 per cent to 10 per cent depending on income as the government tries to recoup almost \$50 million in student debt.

The reforms also include increasing student fees by 1.8 per cent from next year to a total of 7.5 per cent by 2021. This means students will have to pay an extra \$2000 to \$3600 for a four year course.

With financial savings driving how the government structures its education reforms, in ASG's White Paper: [Repositioning education as a major life event](#) we found 85 per cent of parents support a co-contribution savings scheme where government would provide parents and families with incentives to save for education. We believe that the

government could generate considerable savings by helping parents to save for their children's education," adds Mr Velegrinis.

ASG's research also shows about 60 per cent of students rely on their parents for financial support while at university, which creates further financial strain on the family budget with students now required to fund 46 per cent of their course costs, up from 42 per cent.

Former ASG student Jaimee Young recently completed her Bachelor of Visual Arts from the University of Adelaide and says she worries about paying off her HELP debt despite her parents paying for the first half of her degree.

"It's a worry, I mean everything financially speaking is for me at the moment. Thankfully I don't have a very large debt but it's still thousands of dollars that I'm going to have to think about forking out at some point. I get the need to crack down on student repayments, but I know plenty of people who have done more expensive degrees who are struggling even more than I am purely because they have much more to pay off and they're trying to find jobs to help them just sustain themselves in the meanwhile.

I would have loved to have been able to start thinking about possibly moving into my own place but I can't even afford health care at this point. I don't have a full-time paying job, so I think for people to start paying off these massive debts so quickly it's a bit hard, it's a bit much," says Jaimee.

If passed by the Senate, universities will also be required to pay a 2.5 per cent efficiency dividend, instead of the government cutting university funding by 20 per cent. University funding will also be contingent on performance in priority areas and from 2019 be expanded to include student retention and academic achievement.

ASG's John Velegrinis says that the proposed measures at the school and tertiary levels should also look at how education can be delivered more efficiently.

"We believe linking funding to performance will encourage educational institutions to deliver key outcomes and drive innovation as we move towards a knowledge based economy.

We look forward to seeing the detail in this year's budget and hope that it takes a whole of education approach that supports all students, education systems and educators."

Editor's notes:

The Australian Scholarships Group (ASG) is a member owned organisation, helping to create educational opportunities for children. ASG has been helping families and their children for more than 40 years. During this time, more than 530,000 children have been enrolled with ASG and more than \$2.5 billion in education benefits and scholarship payments returned to members. For more information visit: www.asg.com.au

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