



## Aula em áudio 10

Obs: Acompanhe o texto abaixo junto com o áudio disponível em seu ambiente de aula.

**ELEANOR HALL:** So how many students would not be able to pay off their debts over their lifetime?

The National Centre for Student Equity in Higher Education has done some modelling to look at just that question.

It has found that under the Abbott Government's proposed deregulated fee system a student with a debt of \$50,000 and an average life time salary of \$80,000, would take around 43 years to repay the debt.

Will Ockenden reports.

(Music)

**WILL OCKENDEN:** Advertisements about retirement are all about spending your later years taking cruises in Germany, or spending time with your grandchildren.

(Extract from advertisement)

**CHILD:** What do they do in retirement?

**GRANDFATHER:** Whatever they want to.

(End of extract)

**WILL OCKENDEN:** But if modelling about the Federal Government's plans to deregulate university fees is correct, teenagers starting university degrees over the next few years may be spending their retirements still paying off their HECS debts.

Tim Pitman is from the National Centre for Student Equity in Higher Education at Curtin University.

**TIM PITMAN:** What our modelling shows is under the new system people that leave university with either very high levels of debt because of the course they've chosen or who struggle to find a well paying job quickly, will accrue interest at disproportional rates.

So those two groups of people, high debt or low income earning are going to struggle, in some circumstances they're going to struggle even keep up with the interest payments.

**WILL OCKENDEN:** Under the proposed budget changes over the coming years, there'll be reduced Commonwealth funding for many domestic university places, fee deregulation and higher interest on higher education loans.

Currently, HECS debts increase by the rate of inflation. Under the changes, debts will increase by the 10 year Treasury bond rate to a maximum of 6 per cent.

The Government says it means it is lending money at around the same interest rate as it borrows money.

But Tim Pitman says it will lead to much bigger bills.

**TIM PITMAN:** So the interest is accumulating on the debt more quickly and particularly for low income earners, people who are at the start of their working life, take some time to build into a decent wage or maybe because of personal or family commitments can only work part-time, their wages will be lower and they'll struggle to pay off that interest more quickly.

**WILL OCKENDEN:** To take one example from the modelling, a student beginning a university degree under the new system who earns \$80,000 a year on average by the end of their life will take 43 years to pay off a \$50,000 debt.

Tim Pitman says the added interest payments and other life expenses mean it takes longer to pay off.

**TIM PITMAN:** What we've done with our models is we've said put aside for the moment the degree that you've done. Just have a look at how much your debt is when you leave and how soon you can get a high paying job. On the basis of that, you could look at people with debts of \$50,000, depending on how soon they can get good paying employment, taking anywhere between 20 and 40 years to pay that debt off.

**WILL OCKENDEN:** How long would it currently take under those same assumptions?

**TIM PITMAN:** On average students have an average debt of about \$17,000, the average debt leaving university currently is between \$20,000 and \$30,000. That average debt of \$17,000 takes about eight years to pay off so if you've got a debt of between \$20,000 and \$30,000 currently it's taking you around 10 years to pay off.

**WILL OCKENDEN:** He says fee deregulation will affect women more than men.

**TIM PITMAN:** The people most likely to be worse off are the people that when they leave university struggle for some time or through no fault of their own cannot find full-time or high paying employment. Historically women are over represented in that group due to child caring responsibilities, more women are part-time workers and even women that are full-time workers on average don't earn the same salary in the same position as their male counterparts.

**WILL OCKENDEN:** Tim Pitman concedes it won't be same situation for everyone.

**TIM PITMAN:** If graduates can leave universities and secure themselves a very good paying job straight away, these numbers are going to go down quite dramatically, but of course that's not the situation from new graduates.

**WILL OCKENDEN:** National Union of Students president Deanna Taylor says the modelling aligns with the calculations they've been doing.

**DEANNA TAYLOR:** These changes will lead to graduates being saddled with debt for the rest of their lives, unless they are earning well above the average wage, which of course puts a disproportionate burden on students from disadvantaged backgrounds, graduates who are low income earners, which just shows the inequity in these measures.

**WILL OCKENDEN:** No forces students to go to university, why should the taxpayer be forced to pay for university students even if university students have to pay more?

**DEANNA TAYLOR:** University graduates provide a massive public good and funding universities should be seen as an investment. Where else do we get future doctors and nurses and teachers, but universities.

**ELEANOR HALL:** That's Deanna Taylor from the National Union of Students, ending that report from Will Ockenden.