



SUBMISSION TO INQUIRY INTO THE
**HIGHER EDUCATION AND RESEARCH REFORM AMENDMENT
BILL 2014**

September 2014

Lee Thomas
Federal Secretary

Annie Butler
Assistant Federal Secretary

.....
Canberra Office

Unit 3, or PO Box 4239
28 Eyre Street
Kingston ACT 2604
Australia

T +612 6232 6533
F +612 6232 6610
E anmfcanberra@anmf.org.au
W www.anmf.org.au

.....
Melbourne Office

Level 1, 365 Queen Street
Melbourne VIC 3000
Australia

T +613 9602 8500
F +613 9602 8567
E anmfmelbourne@anmf.org.au
W www.anmf.org.au

.....
ANMF Journals

**Australian Nursing and
Midwifery Journal**
E anmj@anmf.org.au

**Australian Journal of
Advanced Nursing**
E ajan@anmf.org.au

ABN 41 816 898 298

The Australian Nursing and Midwifery Federation (ANMF) thanks the Senate Education and Employment References Committee (the Committee) for providing this opportunity to comment on the provisions of the Higher Education and Research Reform Amendment Bill 2014 (the Bill)

Overview

The ANMF supports a tertiary system that is based on the principles of equity, fairness and quality. We do not believe that the cuts to tertiary funding, deregulated course fees and increased student fees and debt meets these principles. The ANMF strongly objects to the higher education system being based on a market driven ideology.

Australia's tertiary system has, and must continue to, provide a basis for generational growth and social cohesion, both within Australia and the broader global community. The tertiary sector contributes nationally to the growth in employment, workforce skills and living standards. However this requires the Commonwealth Government to play a central role in providing an adequate funding base and a regulatory governance framework to ensure the sector's prosperity.

The important equity and quality principle of our tertiary sector will be damaged if the Higher Education and Research Reform Amendment Bill 2014 (the Bill) becomes law.

In the opinion of the ANMF the Bill will have a detrimental impact on students contemplating entering the professions of nursing and midwifery; will reduce the capacity to supply an adequate workforce into the future and consequently reduce the levels of competent care available to our communities.

The proposed changes to tertiary funding courses and student fees will further deregulate the education 'market' promoting the elite, expensive universities at the expense of others with consequent reductions in educational services and standards. This will greatly exacerbate the nursing and midwifery shortages that are set to occur over the next decade.

We are skeptical about the government's claims of minimal and manageable fee increases. In the view of the ANMF, if the Bill were to be enacted, most universities will be forced to opt for significant increases in high demand courses, if not all courses. The obvious net result will be an increase in the cost of university education, an increase that will primarily be borne by the student, thus reducing the education of the nation.

On behalf of our membership and the nursing and midwifery professions we urge the Committee to reject the Bill.

Set out below is an overview of the ANMF and the nursing and midwifery professions and the ANMF's specific comments regarding our opposition to the Bill.

The ANMF

The Australian Nursing and Midwifery Federation (ANMF) is the national union for nurses, midwives and assistants in nursing with branches in each state and territory of Australia. The ANMF is also the largest professional nursing and midwifery organisation in Australia. The ANMF's core business is the industrial, professional and political representation of its members.

As members of the union, the ANMF represents over 240,000 registered nurses, midwives and assistants in nursing nationally. They are employed in a wide range of enterprises in urban, rural and remote locations, in the public, private and aged care sectors including nursing homes, hospitals, health services, schools, universities, the armed forces, statutory authorities, local government, and off-shore territories and industries.

Education of the nursing and midwifery professions

Australia has two levels of regulated nursing; a registered nurse who is bachelor degree prepared and an enrolled nurse who is diploma prepared. A midwife is prepared in two ways, by either completing post graduate study after finishing a Bachelor Degree in nursing or by completing a Bachelor Degree in Midwifery. 90% of midwives have first qualified as a registered nurse prior to completing midwifery.

There are a number of titles protected by legislation. These include: 'nurse', 'registered nurse', 'enrolled nurse', 'midwife' and 'nurse practitioner'. These titles may only be used when authorised by the Nursing and Midwifery Board of Australia (NMBA).

Registered nurses and midwives must complete a three year bachelor degree at university before they are eligible to be registered with the NMBA. Generally, they undertake a period of post-registration graduate support in a health or aged care setting. Usually, this transition period is 12 months. They may also undertake post-graduate study to specialise in one of many clinical practice areas.

Both registered nurses and midwives commit to lifelong study and continue to complete post graduate study with a higher education provider. Working in a specialised area such as the emergency department, the operating suite or an intensive care unit will require nurses to complete a Graduate Certificate or Graduate Diploma. Nurse practitioners require a Master's Degree as a minimum to be endorsed by the NMBA. Eligible midwives also require further post graduate study to enable them to be endorsed by the NMBA and prescribing medicines.

Nurses and midwives are professionals dealing with highly complex situations and it is professionally accepted that study is ongoing. The proposed changes to student fees and loans will affect all levels of nurses and midwives and will be a deterrent for nurses and midwives considering specialising and advancing to a role such as nurse practitioner.

Enrolled nurses are educated in the vocational education and training (VET) sector for one year to eighteen months to Diploma level, seeking registration with the NMBA. They may also undertake additional study to work at a more advanced level. Many enrolled nurses also go on to further study and complete a Bachelor Degree to become a registered nurse.

The latest published data for nursing and midwifery registrants available was published by the Nursing and Midwifery Board of Australia (NMBA) in July 2014, *Nurse and Midwife registrant data: June 2014*.¹ The NMBA reports that there are currently 362,450 nurses and midwives registered in Australia. Of these, 31,233 are registered as a nurse and a midwife, 257,815 are registered nurses and 60,468 are enrolled nurses. Just over 5,000 are registered as non-practising nurses or midwives.

The quality of Australian nursing and midwifery education is internationally recognised with an excellent reputation for producing nursing and midwifery graduates to work in every sector of the health care industry. That reputation however, and the ability of nursing and midwifery education providers to deliver quality education to a sufficient number of nursing and midwifery students to meet workforce demand, continues to be under threat as the shortfall in funding to schools of nursing and midwifery is forcing some universities to abandon nursing and midwifery courses in favour of more lucrative or better income producing disciplines.

The Bill also has the potential to adversely affect nursing and midwifery research capability. This research contributes significantly to the betterment of health and aged care. For many nurses and midwives this research is undertaken during the completion of post graduate study, especially masters, doctoral and post-doctoral programs. Increasing higher education fees will be a deterrent to undertaking the programs which enable research.

Specific comments on the Bill

In its May 2014 budget, the Australian Government announced a number of proposed changes to the funding and operations of the Australian higher education sector. The changes were announced to take effect from 2016. They include changes to the repayment regime for the student tuition charge income contingent loan (the HECS-HELP scheme) that involve a lowering of the repayment threshold and the introduction of a real rate of interest on outstanding debt.

In August 2014 the Education Minister Christopher Pyne introduced the Higher Education and Research Reform Amendment Bill 2014 into the parliament, announcing it as “good deal” for students. The Minister insisted that the legislation will ensure Australian universities can compete globally by setting their own course fees and choosing which courses they could offer. “Deregulation is the only way to respond to what students and

¹ NMBA, July 2014, *Nurse and Midwife Registrant Data: June 2014*, Online: <http://www.nursingmidwiferyboard.gov.au>

employers want. It is the only way to set our universities free to ensure they can deliver what they need. It is the only way to ensure Australia is not left behind”.²

The deregulation of course fees

It has been widely recognized that undertaking education in nursing and midwifery needs to be encouraged to assist in Australia’s future workplace planning.

In the past policy decisions including the capping of HECS fees for nursing student have been implemented in recognition of the need to encourage more students to consider nursing and midwifery as a career.

Nursing and midwifery education are relatively high cost courses, largely because of their clinical component. The availability and cost of clinical places remain a serious problem for nursing and midwifery education.

Faced with the opportunities arising from the deregulation of courses, ANMF is deeply concerned that universities will be drawn to offering courses of study where the cost of providing the course is lower.

It is also likely that the deregulation of course fees will encourage many tertiary institutions to offer more places to international students. The ANMF, while recognizing the importance of international ties and reputation, does not support increasing the provision of places to overseas students, if it impacts negatively on access to places for domestic students, supply for the domestic workforce and the overall quality of education provided. This would have a direct consequence for the provision of nursing and midwifery care to the Australian community

One of the most contentious proposals in the Bill is that student contributions to the costs of their education should increase, from approximately 40 percent to 50 percent. This is seemingly based on the premise that the economic benefits of a university degree justify the proposed increases in student fees. This view of government is best illustrated by an often made comment of Minister Pyne that those with a university degree “earn up to 75% more than someone without a degree “or “can earn an extra \$1,000,000 over their working life”

While it is true that across the spectrum of workers those with university degrees tend to, on average, earn higher incomes, for nurses and midwives this assertion is inaccurate. It simply demonstrates the Minister’s lack of understanding of the sector he has been elected to represent.

² Kenny, M. August 28, 2014, Christopher Pyne steps up pressure on university reform, SMH, Online: <http://www.smh.com.au/federal-politics/political-news/christopher-pyne-steps-up-pressure-on-university-reform-20140828-109ige.html>

As any Australian could advise, it is simply ludicrous to claim that a nurse or midwife will make even close to \$1 million over their working life.

Set out hereunder are the average national entry level weekly wage rates for nurses, midwives and Assistants in Nursing employed in public hospitals as at June 2014:

Entry level rate for an RN (Degree)	\$1110
Entry level rate for an EN (Diploma)	\$981
Entry level rate for an AIN (Certificate 3)	\$877

The fact is that an entry level degree qualified registered nurse earns around 13% more than an entry level diploma enrolled nurse who in turn is paid only around 12% more than an assistant in nursing with a Certificate 3 qualification.

Pivotal to the Bill is the government's conviction that higher student fees will not act as a significant disincentive to the participation in the tertiary sector from lower income groups because those with degrees are financially advantaged while in the workforce.

ANMF is of the view that there is little evidence to support this assertion and it is far more likely that, faced with escalating fees and longer periods of debt, many students will be reluctant to undertake courses that do not have clear pathways to high remuneration (e.g. medicine). If this is true there will be serious ramifications for the professions of nursing and midwifery and the delivery of safe, competent health services into the future.

The proposed increases in the interest payable under the HELP scheme places a major burden on students undertaking 'lower income' courses such as nursing. Nursing, as a predominately female workforce, will be further disadvantaged as women typically start on lower salaries and may have extended periods of leave for child care purposes. Their debt will be disproportionate to what they are able to earn and become a lifelong burden.

This is clearly demonstrated by the finding of Universities Australia report into the impact of the HELP scheme.

Universities Australia, the peak body representing universities in Australia, has modelled the impact of the Government's proposed changes to the Higher Education Loans Program (HELP) on engineering and nursing university graduates. A copy of the report is available at: (<https://www.universitiesaustralia.edu.au/news/submissions-and-reports/The-impact-of-changes-to-HELP-design-on-students/The-impact-of-changes-to-HELP-design-on-students#.VBjJaBx--Uk>)

In considering the impact on nursing university graduates Universities Australia modelled three fee levels

- Low-fee level: the estimated minimum student contribution amount that a university will need to charge to offset the 20 per cent average reduction in government funding.
- Medium-fee level: the fee calculated as an average of the low- and high-fee levels.
- High-fee level: the average international student fees charged in 2014 after deducting the new government contribution amount.

Based on this modelling the report concluded, that for nursing graduates their initial debt for a three-year degree, will increase from \$19,398 under the existing system to:

- \$24,067 under the low-fee level (an increase of 24.1 per cent);
- \$30,729 under the medium-fee level (an increase of 58.4 per cent); and
- \$37,390 under the high-fee level (an increase of 92.8 per cent).

The report then considered the impact on nursing graduates who enter the workforce to work on a full time basis and, those who work a combination of full time and part time over a number of years, which is typically the case.

The report found that a nursing graduate who works full time for 6 years and then part time (.5) for a further 6 years may have a total debt (fees and interest) in excess of \$65000, payable over a 22 year period.

Further details of the reports modelling and conclusions are set out below.

Registered nursing graduate – Scenario A

In this scenario, a registered nursing graduate with a starting income of \$48,729 will reach an income of around \$80,000 after eight years of working full-time. Under the existing system with CPI indexation, the individual will pay off the total study debt and interest of \$23,367, 11 years after the commencement of study.

At a four per cent interest rate, we find that:

- Under the low-fee level, the individual will pay off the total debt and interest of \$33,495, 13 years after the commencement of study.
- Under the medium-fee level, the individual will pay off the total debt and interest of \$44,784, 15 years after the commencement of study.
- Under the high-fee level, the individual will pay off the total debt and interest of \$56,912, 17 years after the commencement of study.

Table 1: Repayment profiles for nursing graduates – Scenario A

Scenario A		Existing System with 2.6% CPI Indexation	New System with 2.6% CPI Indexation	New System with 4% interest	New System with 5% interest	New System with 6% interest
Low-fee level	Debt – Existing fees	\$19,398	\$19,398	\$19,398	\$19,398	\$19,398
	Additional Debt	-	\$4,669	\$4,669	\$4,669	\$4,669
	Total Interest Charges	\$3,969	\$5,503	\$9,428	\$12,877	\$16,982
	Number of years to pay off total debt and interest (including years of study)	11	13	13	14	15
Medium-fee level	Debt – Existing fees	\$19,398	\$19,398	\$19,398	\$19,398	\$19,398
	Additional Debt	-	\$11,331	\$11,331	\$11,331	\$11,331
	Total Interest Charges	\$3,969	\$8,032	\$14,055	\$19,493	\$26,262
	Number of years to pay off total debt and interest (including years of study)	11	14	15	16	17
Medium-fee level	Debt – Existing fees	\$19,398	\$19,398	\$19,398	\$19,398	\$19,398
	Additional Debt	-	\$17,992	\$17,992	\$17,992	\$17,992
	Total Interest Charges	\$3,969	\$10,959	\$19,522	\$27,505	\$37,810
	Number of years to pay off total debt and interest (including years of study)	11	16	17	18	19

Registered Nursing graduate – Scenario B

Under this scenario, a nursing graduate with a starting income of \$48,729 will reach an income of around \$72,000 after six years of working full-time. This graduate will then work part-time at 0.5 full-time equivalent (FTE) for the next six years to raise a family before returning to work full-time. Under the existing system with CPI indexation, the individual will pay off the total debt and interest of \$24,646, 17 years after the commencement of their study.

At a four per cent interest rate, we find that:

- Under the low-fee level, the individual will pay off the total debt and interest of \$37,896, 19 years after the commencement of study.
- Under the medium-fee level, the individual will pay off the total debt and interest of \$51,620, 20 years after the commencement of study.
- Under the high-fee level, the individual will pay off the total debt and interest of \$66,195, 22 years after the commencement of study.

Table 2: Repayment profiles for nursing graduates – Scenario A

Scenario A		Existing System with 2.6% CPI Indexation	New System with 2.6% CPI Indexation	New System with 4% interest	New System with 5% interest	New System with 6% interest
Low-fee level	Debt – Existing fees	\$19,398	\$19,398	\$19,398	\$19,398	\$19,398
	Additional Debt	-	\$4,669	\$4,669	\$4,669	\$4,669
	Total Interest Charges	\$5,248	\$7,677	413,829	\$19,594	\$26,946
	Number of years to pay off total debt and interest (including years of study)	17	18	19	119	20
Medium-fee level	Debt – Existing fees	\$19,398	\$19,398	\$19,398	\$19,398	\$19,398
	Additional Debt	-	\$11,331	\$11,331	\$11,331	\$11,331
	Total Interest Charges	\$5,248	\$11,447	\$20,891	\$29,963	\$41,951
	Number of years to pay off total debt and interest (including years of study)	17	19	20	21	22
Medium-fee level	Debt – Existing fees	\$19,398	\$19,398	\$19,398	\$19,398	\$19,398
	Additional Debt	-	\$17,992	\$17,992	\$17,992	\$17,992
	Total Interest Charges	\$5,248	\$15,543	\$28,804	441,998	\$60,291
	Number of years to pay off total debt and interest (including years of study)	17	20	22	23	25

Conclusion

Nursing and midwifery today offers modest financial benefits and many challenges. Education of nurses and midwives is a sound investment for the health of the community. To continue to provide safe, competent and quality care to all people in Australia, higher education courses for entry into the profession and ongoing education must be accessible and affordable.

Nursing and midwifery is a vitally important part of the economy on a number of fronts: workforce, social, economic and international. The governments proposed Bill: *Higher Education and Research Reform Amendment Bill 2014* demonstrates a failure to understand or accept the importance of the tertiary education by choosing to pursue a tired and often discredited free enterprise, user pays system and damn the results.

We can do a lot better than this. The ANMF urges the Committee to reject this Bill and to recommend that the Government return to responsible management of the Higher Education sector through reasonable public investment.