



Australian
National
University

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Mr Dom English
First Assistant Secretary Higher Education
Department of Education, Skills and Employment
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Dear Mr English,

**RE: Higher Education Support Amendment
(Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020 - Exposure Draft**

The Australian National University (ANU) welcomes the opportunity to comment on the Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020 - Exposure Draft. We understand the Government is seeking to put in better protections for students, and to ensure access to higher education for more Australian students during a very difficult economic period.

There are however areas of the Bill which the University believes could be strengthened and changed in order to have a greater alignment to the Government's goals and reduce the risk of unintended policy consequences.

Costs to Students

ANU strongly supports the reduction of the fee help loan fee for undergraduate student from 25 to 20 per cent. We also strongly support the amendment to the Social Security Act 1991 which reduces the number of months (from six to three) before a student is eligible to receive Fares Allowance.

In the public sphere there had been discussions of a \$5000 relocation payment to assist rural, regional and remote students who face additional financial barriers to receiving higher education. This is not included in the Bill as it stands. We believe this is an important step to help reduce some of the financial inequality that makes accessing higher education more difficult for students outside our major cities and would welcome its specific inclusion within the Bill.

Support for Indigenous Students

We welcome the changes in the Bill which support demand driven Commonwealth Supported Places for regional and remote Indigenous people. This is a sensible change which will help improve equity of access to higher education for First Nations people.

While not specifically mentioned in the Bill, we also welcome the Indigenous, Regional and Low SES Attainment Fund (IRLSAF) to incentivise enrolment of Indigenous regional and remote students. We know that Indigenous students across Australia have lower enrolment and completion rates for higher education and we would recommend the Government extend this measure to all Indigenous students, regardless of geographic location.

Failure to Complete Previous Units

Under the Higher Education Support Act 2003, section 36-13 failure to complete previous units, there are significant risks associated with the approach within the Bill. First-in-family, lower socio-economic and rural and regional students away from home for the first time are the students most likely to take more time to 'find their feet' in tertiary studies. For most of them, that period of adjustment to higher education requirements is reflective

of the additional pressures facing them during the transition, as opposed to a reflection of their aptitude or suitability for their chosen course of study.

In our experience, most of the students who have a high failure rate in first year have had a sudden onset of a mental health problem or a severe financial problem. This measure will apply additional pressure to students who are already experiencing disadvantage. Discretion in the way universities deal with students has been critical in assisting students overcome these initial setbacks to thrive within the university setting, giving them the skills and the qualifications to contribute to their communities and future workplaces. The way the clauses are framed puts pressure back on individual students, rather than examining ways to alleviate the systemic disadvantage or sharing sector best practice support models for students.

Under rules that TEQSA administers, universities must already assess the academic suitability of applicants to each course. ANU has stringent and transparent guidelines for students who fail subjects, including an early intervention threshold, so issues are identified and students supported.

There is no question that the sector wants to help students succeed in their field of pursuit and to go on to have productive working lives. However, adding regulatory red-tape and putting additional pressure on vulnerable students does not achieve the outcome we are all seeking.

Bringing the sector together to discuss what is working to support at risk students and exploring best practice frameworks would be a more productive way of achieving the intent of this section of the Bill.

Section 19-80 and 19-80 (1) Table A Providers

This is a section where we believe there may be unintended consequences resulting from the proposed amendments. Table A providers already meet rigorous regulatory requirements. In the case of our institution, we provide an Annual Report which is tabled in Parliament and we are subject to a great deal of scrutiny, as is appropriate. By adding Table A providers to the compliance section, the Government runs the risk of having to audit institutions who are already providing transparency around their operations. We understand that with some of the smaller operators in the VET sector this has been necessary, but for Table A providers this is an unnecessary and potentially very expensive layer of regulation.

Successive Coalition Governments have worked constructively with the sector to reduce red tape and unnecessary regulation. The recommendations in the Review of Higher Education Regulation were adopted by the Government in full, “to ensure that universities are able to focus their energies on the things that they do best and spend less time on compliance and reporting”. The reduction of duplication in regulatory architecture was one of the core recommendations of that review. We would recommend that these amendments are removed from the Bill.

Grandfathering

While the Department has been clear in the publicly available information that the intent of the grandfathering is to include students moving from undergraduate to postgraduate study, the Bill is not clearly worded to support this. While “honours courses” are specifically referred to in (1) a(ii), other forms of postgraduate study are not.

We would recommend that this section of the Bill be updated to more clearly reflect the expressed intent of the Department and the current FAQ clarified to support students seeking to make decisions about postgraduate study in 2021 and for providers seeking to support them through making Commonwealth Supported Places (CSP) available within their chosen disciplines.

Average Costs

Underpinning the Bill is Deloitte Access Economics’ Transparency in Higher Education Expenditure Report from 2019 which looked at the average cost of various courses of study. At the time this work was completed, The ANU was included for the first time in the 2019 study and therefore the inclusion of our costs currently lacks the benefit of the longitudinal perspective for which the study advocates. Their study is also incomplete, having not yet incorporated all Australian universities.

As the report states, “The variation in average costs reflects a range of contextual factors (such as differences arising from geography, scale, student mix, subject focus, and research intensity), as well as differences in strategic focus across institutions.”

As the Covid-19 economic crisis deepens, and non-permanent staff leave the sector, a greater proportion of teaching will fall to higher paid academics, increasing the overall costs of teaching significantly. Research was specifically excluded from the analysis, despite teaching, research and community engagement being jointly produced with inherent efficiencies.

Using average costs as a metric leads to a greater question which needs to be thought through: what constitutes value in a university qualification? An average cost does not reflect the quality of the course delivered. It does not reflect with sufficient weight the additional costs incurred by regional institutions, as a result of their smaller size, fewer economies of scale, distance etc.

This Bill would be greatly strengthened by evidence-based work into issues of quality, efficiency and effectiveness.

Working with Industry

We support the changes to Schedule 4—Work experience in industry to make those units eligible for Commonwealth Grant Scheme funding. This is a recognition of the importance of strengthening linkages between students in higher education and their future employers in industry.

While it is not specifically referenced in the Bill, we are also supportive of the National Priorities and Industry Linkage Fund (NPILF) to incentivise engagement with industry.

Commonwealth Grants Scheme Amendments

ANU supports a single funding envelope and elimination of designated and non-designated courses/units of study (excluding medicine).

We also support the amendments to allow transfer of Commonwealth Supported Places (CSPs) across disciplines and course levels to respond to student demand.

The Value of Humanities

As we have seen clearly in the response to Covid-19, the humanities are critically important to the nation. While our medical staff have been on the front line delivering care, many areas of humanities have provided other critical elements of Australia's response to this unprecedented crisis.

Our sociologists have been tracking the way the pandemic has been affecting how we live and work and how it is affecting our mental health, our rights and our online security.

Our psychologists are training practicing psychologists on the consequences of long-term social isolation. Our economists are using their modelling skills to come to grips with the scale and shape of the economic effects of the pandemic. They are guiding national thinking about immediate and long-term economic policy with ideas to keep businesses and jobs intact and reform the tax system.

All these experts from the humanities have been ensuring that the response to the pandemic has been informed by solid evidence, sound thinking and a belief in global coordination.

Once we've found a vaccine for this virus, what then? How will Australia's economy, society and democracy be reorganised to reflect the new global realities? Where will the new industries and jobs come from to build this recovery upon?

We are looking at these big questions from all angles: scientific, economic, social and political. Some of the answers will come from the STEM areas, but without the support of those from the humanities we will not be able to meet the challenges that lie ahead.

You only need to look at the CV of some of our nation's leading policymakers, public servants, diplomats and political leaders to see the continuing contribution of humanities to making Australia a highly influential middle power.

Job Ready Graduates

STEM is critically important to the future of our nation and the many difficulties we are experiencing now, and will emerge as a result of the Covid-19 pandemic. However, the evidence on changes to student contributions from overseas demonstrates that these price signals do not change student behaviour. Even when course fees rose 300 per cent in the United Kingdom, there was a very limited impact in the year immediately following for applications to study at university.

To grow enrolments in STEM subjects at university level, we need to address the numbers of students who are not taking the courses in high school which would give them the grounding to pursue STEM studies. Mathematics and Science subjects at high school level are critical; without a growth in enrolments there, students are closing off future opportunities. As a country, we need to better demonstrate the diverse and rewarding career paths that can result from engaging in those foundational studies at high school.

This Bill will not result in the desired changes to enrolment patterns because the choice of a field of study is not responsive to price signals.

Conclusion

We would welcome the opportunity to discuss the matters raised in our submission further if that would be of assistance. ANU Government Relations Manager Belinda Lawton can facilitate further discussions with the academics who have provided advice for this submission. She is contactable at government@anu.edu.au or on 0409 305 000.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. P. Schmidt', is written over a light grey grid background.

Professor Brian P. Schmidt AC
Vice-Chancellor and President