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Submission on Exposure Draft - Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020.

James Cook University appreciates the opportunity to provide feedback on draft legislation that will have a significant impact on higher education and research in Northern Australia.

We endorse the submission provided by Innovative Research Universities. We acknowledge the draft legislation re-introduces indexation and makes some allowance for growth in demand – both essential to Australia's future. We wish to note the following principles that we feel should inform considerations.

A time of change – governments and universities working together

JCU acknowledges the tremendous economic and social challenge faced by Australia, the Tropics, and the world. We are actively playing our part in assisting government, industry and communities to navigate this terrain.

There is not one institution, business or person that has been left unaffected by the global pandemic – all have faced major disruption.

Universities must adapt and change to the new global circumstances. The agility the sector demonstrated in transferring curricula online, in order that students could continue learning during this time of health crisis, is testament to the dedication and commitment of our staff who have made a herculean contribution to provide stability and security to students.

We note that the Australian Government has worked to mitigate the extreme negative effects of economic shutdown for most industry sectors, but have chosen not to extend key measures, such as Job Keeper, to the university sector despite the collapse of international education, with significant current and forecast job losses resulting across the sector.

Introducing legislation that will see a further reduction in funding to universities on average per domestic student, on top of the loss of international education for the indefinite future,

creates great instability in teaching and learning at a time when investment, not divestment, in the innovation of course content, course design and course delivery is required at a national level.

The transition funding as set out in the legislation therefore cannot be seen as adequate structural adjustment funding to enable universities to continue to fulfil their mission, including in the area of research and with regard to the costs associated with essential teaching and learning supports and infrastructure.

Unknowns - providing clarity on change

The draft legislation provides no additional clarity on how the Maximum Basic Grant Amount will be set for 2021 and the sector has not been provided with sufficient information to enable adequate modelling to be done at an institutional level. Whilst it is clear that the intention is to reduce the funding per student and that this reduction will take place over time, it is not clear how this will be implemented and, therefore, not possible to fully understand the impact of such changes on university operations.

Impact on students – providing choice, and keeping options open

The IRU has set out an alternative cluster rate that, at no additional cost to students, universities or government, would moderate the changes in order that no unit is subject to a charge higher than the current top rate. This moderation works to support student choice. Making programs in the field of society and culture, for example social work, that many Aboriginal and Torres Strait Islander students as well as students who are the first in their family at universities study, significantly more expensive is likely to reduce the tertiary study participation rates of students in these demographics, counter to the Government's express intention, and create a skills gap in critical areas required in a post-COVID environment. Many students in regional areas come to university in order to study in these areas and graduate with skills and knowledge to make a difference in their communities and this need is great at this time and for the foreseeable future.

Quality and accountability requirements – proportionate measures

The extension of additional regulatory requirements in Schedule 5 to Table A to C providers introduces significantly greater levels of regulatory burden to address rare cases where 'non-genuine' students are enrolled in programs that they are not capable of, or intending to, engage in. There are better ways to resolve these fraudulent cases of enrolment than the introduction of additional hurdles that risk capturing genuine students. Genuine students, for a wide variety of reasons, may fail units in consecutive study periods, and with appropriate institutional support, should not be penalised when they demonstrate resilience, resourcefulness and grit to persist in the face of setbacks during their studies. The proposed measures apply more stringent measures to students studying sub-bachelor and enabling courses than those studying bachelor or high courses – see Appendix 1. Disproportionate changes to sub-bachelor and enabling programs has a major impact on regional, rural, remote and Indigenous students.

Research – required for Northern Australia and the Tropics

The impact of the proposed legislative changes on students, universities and communities cannot be known fully until there is some line of sight on how the Australian Government intends to secure Australia's research effort and impact. This is particularly true in regional areas if there are proportionately more staff engaged in both research and teaching than at metropolitan and sandstone universities.

Business and industry are looking to us for more, not less, support as services and products, and supply chains, are rebuilt in the face of changed production and trade, particularly in a post-COVID environment. JCU is engaged with our industry partners in accelerating key projects, including aquaculture and tropical health initiatives. Fast-tracking these industry areas presents a key mechanism for rebuilding the Queensland and Australian economies.

JCU is proceeding with the Technology Innovation Complex in Townsville, funded through the Northern Australian Infrastructure Facility. The Cairns Innovation Centre is in operation and we are proceeding with the Cairns Tropical Enterprise Centre (CTEC) with funding support gratefully received from the Australian Government, with State Government funds currently outstanding to create the Cairns University Hospital. There clearly needs to be long-term consideration of how the sector can manage infrastructure requirements given the demise of the Education Infrastructure Fund.

Crucially though, it is essential that our academic and technical staff are supported to conduct research for the benefit of industry and our community using this infrastructure, and through grant opportunities. The JCU staff, supported by so many others, are actively training researchers for industry, community and the university sector through the delivery of world class PhDs and Masters programs in those areas in which we excel.

Universities as anchor institutions

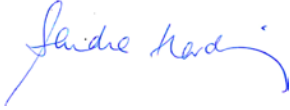
Finally, the Australian Government has an important role to play in ensuring universities, particularly in regional areas, serve as anchor institutions that stabilise and regenerate regional economies through direct and indirect employment. Education provides an anchor to people who find themselves disconnected from the labour market through no fault of their own.

For the sake of our communities, we cannot afford to lose the highly skilled academic, research, and professional and technical capabilities represented in our staff and nor can we risk a reduction in the engagement of regional students in tertiary study. The University is determined to fulfil our mission in the communities we serve, a task made harder if funding and regulatory arrangements serve as a drag on our ability to do so and serve to dissuade students from studying in areas important to our communities.

Whilst funding that supports regional students to move to study at university is welcome, this should be facilitated in a way that understands the social contract at a local level – and supports the world-class opportunities for education where they already exist at regional universities.

The draft legislation, in its current form, is problematic in many ways. It provides less resources at a time when investment is required to innovate in the delivery of curriculum and innovation through research, it introduces hurdles that seem to offer little to genuine students, and it increases regulatory burden for little apparent benefit. The additional growth places, while a positive start, fall well short of what is required in Australia in the medium term. I urge further consideration of amendments that can address these issues.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Sandra Harding', with a stylized flourish at the end.

Professor Sandra Harding AO
Vice Chancellor and President

Appendix 1:

Schedule 5 relates to student protection, with Part 2 amendments commencing 1 January 2022. The amendments to introduce 36-13 are intended to assure a minimum 50 per cent pass rate for Commonwealth supported students but, as drafted, will disproportionately impact students studying sub-bachelor and enabling pathway courses. Section 36-13(1)(b) acts to apply a more stringent threshold to students studying sub-bachelor and enabling courses than those studying bachelor or higher courses in two ways:

- fewer units are required to have been undertaken by a student enrolling in sub-bachelor or enabling study before the 50% pass requirement is applied (4 as opposed to 8), and
- results from all study undertaken at the provider are included in the requirement that more than 50% of the units undertaken be completed successfully, whereas for bachelor or higher study only units undertaken within the relevant course are considered.

The following scenarios demonstrate outcomes of these changes that were likely not intended:

Scenario 1

Neha commences the Bachelor of Laws but after failing 3 of 4 subjects in the first semester realises she is not as interested in Law as she thought and is considering transferring to Engineering. Due to the subjects Neha studied in Secondary School she does not currently meet the Mathematics Methods prerequisite and is advised to complete a pathway course to meet the prerequisite before continuing on to Engineering. Due to Neha's results in Law and the application of 36-13(1)(b) she is unable to access Commonwealth Support, HECS-HELP or FEE HELP in a sub-bachelor course and must either pay tuition fees in full or transfer to another provider.

Scenario 2

Maria commences a preparatory Diploma course, enrolling in 3 subjects with the goal to transfer into Bachelor of Engineering the following year. Maria underestimates the work required to succeed at higher education and fails all 3 subjects. In her second semester Maria chooses to enrol in only 2 subjects to ensure she succeeds and passes both. Despite Maria's significant improvement in the second semester her results in the first semester still make her ineligible Commonwealth Support, HECS-HELP or FEE HELP and she must either pay tuition fees in full or transfer to another provider.

Scenario 3

Thomas commences the Bachelor of Science immediately after secondary school and fails more than half of the subjects he attempts in the semester. Thomas withdraws from the course and instead works full time for 4 years, developing an interest in business and accounting. Thomas seeks to return to study the Bachelor of Business but due to the time that has lapsed since he last studied, and his performance in his first attempt, he is best suited to a pathway course to maximise his chances of success. Unfortunately, due to the results Thomas received several years prior he is ineligible for Commonwealth Support, HECS-HELP or FEE HELP and must either pay tuition fees in full or transfer to another provider.

The three scenarios demonstrate the implications of 36-13 on sub-bachelor students in particular and show that students will often be required to choose between paying tuition fees in full or transferring to another provider. These consequences are of most concern in regional, rural, and remote areas where students are disproportionately unlikely to have the financial capacity or the flexibility to choose between multiple institutions.

While we submit the changes should be reconsidered, if they are to continue as drafted, students who commenced study before 1 January 2022 should be grandfathered into the new system for any historical failures. This means that a student who has previously failed four subjects, but passes all future subjects, does not lose their Commonwealth support.