

## **UNIVERSITY OF NEWCASTLE**

The University of Newcastle welcomes the opportunity to provide feedback on the exposure draft of the *Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020* (henceforth 'Exposure Draft').

### **BACKGROUND**

The University notes the significance of the changes proposed to funding arrangements to the sector.

We understand the package aims to provide more Commonwealth Supported Places to deal with Australia's growing population, deal with poor equity outcomes in regional areas, provide better alignment with industry needs, allocate student places more effectively, and provide better incentives for industry engagement.

The University has a number of concerns in relation to the proposed package, which are set out below. Of particular significance, given the characteristics of the student profile at the University of Newcastle, are the proposed changes to access to commonwealth supported places, funding for equity cohorts, and students accessing university study via an enabling pathway.

### **Student Profile**

The University has a distinctive equity profile that includes a large proportion of students who identify as:

- Aboriginal and Torres Strait Islander (3.9%)
- Low SES background (23.8%)
- Students with Disability (7.7%)

The University also offers a range of long standing and successful enabling programs that provide a pathway to University for students from diverse backgrounds. The University is the largest provider of enabling programs in the country.

Our most recent data indicate that approximately 20 per cent of commencing students access university via prior enabling study. This figure is even higher at the Central Coast, where approximately 28 per cent of students have an enabling background.

These programs provide valuable and much needed opportunities to students in our regions and it is clear that Commonwealth support for enabling programs is vital to achieving improved education outcomes in the Hunter, Central Coast and mid-North Coast regions.

### **Student Success**

The University of Newcastle has an outstanding record of supporting all students to be successful in their chosen program. Students who access higher education from a range of pathways often have distinctive support and transition needs arising from varying levels of social and educational capital when they commence their studies.

The University of Newcastle is responsive to student needs and has developed a suite of initiatives and approaches that work with students to deliver strong educational outcomes, which are reflected in student success rates.

The Success Rate measures the units of study passed by commencing students and is seen as a possible indicator of the decision whether or not a student discontinues to study due to poor academic performance.

The most recent benchmarked sector data indicate that success rates for University of Newcastle students were higher than the sector average for 2016 and 2017 and dropped slightly in 2018 to 83.06 per cent which was slightly under the Sector average of 84.3 per cent.

## Success Rates – University of Newcastle 2019

EQUITY CATEGORY	SUCCESS RATE %
ATSI	81.6
Low SES	84.7
Students with Disability	79.3
First in Family	86.6
University of Newcastle - Institution	87.1

## FEEDBACK ON PROPOSED JOB READY PACKAGE

Issue	Comment
<p><b>Funding Certainty:</b></p> <p>Under the Job Ready Package, universities will have a single funding envelope for all Commonwealth supported load that will be indexed to the Consumer Price Index.</p> <p>MBGA is not included in the draft Bill, providing considerable uncertainty with regard to funding.</p>	<p><b><i>The Bill should provide certainty to universities by including a schedule specifying the Maximum Basic Grant Amounts (MBGA), or equivalent, for each university and provision for the maintenance and indexation of this amount beyond the three transition years.</i></b></p> <p>Once fully implemented, the package represents an overall reduction in government funding for student places from \$7 billion to \$6 billion, with student contributions making up a large part of the reduction in government spending.</p> <p>The University is concerned that shifting costs from the Commonwealth to students will likely have a negative impact on educational attainment. There is a risk this will have a negative impact on national productivity in the context of a very challenging national and international economic environment, which will require a highly educated and adaptable workforce.</p>
<p><b>Enabling Funding:</b></p> <p>The Bill removes regional and enabling loadings from the Commonwealth Grant Scheme (CGS). The announced policy is to initially continue these loadings as part of the Indigenous, Regional and Low SES Attainment Fund (IRLSAF) under the Other Grant Guidelines, until longer term policy for that fund is set.</p>	<p><b><i>The University's position is that no change be made to enabling loading, and enabling places continue to be stipulated in funding agreements, until there is clarity around equity funding, and IRLSAF guidelines are finalised in close consultation with the sector.</i></b></p> <p>The University of Newcastle understood there would be no changes in the Bill to enabling funding in the first round of legislation, at least until there was funding clarity with regard to equity funding. The Bill removes enabling loading from the CGS.</p> <p>There is no certainty under this Bill that IRLSAF funding can be used to support enabling students, which would present considerable issues both for our regional equity agenda and major structural issues for our University.</p> <p>Under the current advice on IRLSAF, up to 60% of our enabling students would miss out on funding under the program, if it were available to fund enabling programs, as they may not fit neatly into the equity categories of low SES, Indigenous or regional students.</p> <p>The pathway programs at the University of Newcastle are world-leading and provide high-quality access to higher education through a comprehensive curriculum and excellence in inclusive pedagogical practice. Further, Enabling is a key pathway for students from low SES, Indigenous and Regional and Remote communities. We consider the disappearance of secure funding for Enabling places through</p>

	<p>incorporation in the overall funding envelope to pose a risk to opportunities for educational advancement for diverse student cohorts. This constitutes a radical change that could be managed in a more measured way through discussion with the sector about the Commonwealth's end goals and sustainable steps to achieve these.</p> <p>At present, students can enrol in an Enabling program without incurring any debt. The University of Newcastle has conducted surveys that indicate up to 80 per cent of Enabling students would not pay for their program, and many would not consider university study without this risk free preparation to see if they can succeed. In a region like the Hunter, with lower than average rates of education attainment at school level, enabling pathways fill a vital gap. In 2020, the University has over 4,000 students enrolled in an enabling program.</p> <p>Enabling education is a formal course of study that undergoes the same academic scrutiny as other university courses. They are regularly externally reviewed, governed by a national association of member institutions, and the vast majority of academic staff teaching them are experienced university lecturers because the courses require the sophistication of discipline knowledge and currency to ensure seamless transition to Awards to uphold academic quality.</p> <p>The courses mirror university courses but the enabling education approaches are embedded in a clear community of research-informed scholarship and practice about inclusivity. There is a national framework, which follows national common learning outcomes and courses, and we are mapping courses to AQF levels 3-5, like the newly included undergraduate certificate.</p> <p>Further, Enabling is a very specialised and essential education type that is efficacious because of its specific structures and embeddedness within long established university structures. For regional areas and for regional and remotes students, enabling pathways, particularly online, form the backbone of access to higher education for a very wide diversity of groups.</p>
<p><b>Enabling Funding Growth:</b></p> <p>The Department of Education, Skills and Employment has advised that the enabling loading will not increase to compensate for the reductions in CGS amounts for student places.</p>	<p><b><i>The University of Newcastle supports the continuation of enabling and equity funding commensurate levels.</i></b></p> <p>We are concerned the overall effect of the policy package will be a movement of funding away from genuine equity groups and successful equity programs.</p>
<p><b>Funding Clusters:</b></p> <p>Funding has been realigned in part with teaching costs in different disciplines, with a likely reduction in funding for many STEM disciplines.</p>	<p><b><i>The University is concerned that increased student fees in the humanities both undervalues these important disciplines, and will disproportionately affect students from disadvantaged backgrounds.</i></b></p> <p>Research shows that students from under-represented backgrounds are strongly motivated to undertake a degree that relates to their experiences of disadvantage and are likely to want to study a degree that directly gives back to their communities. Many of the degree programs that will receive the least Commonwealth resources with large increases to student contributions are in the areas with large proportions of students from equity groups. The reforms are likely to be counter-</p>

	<p>productive in relation to the Government's commitment to equity by a) undermining a key pathway for students to access higher education through Enabling (as above) and b) putting students off higher education entirely by making the degree of their choice inaccessible.</p> <p><b><i>We support calls for subject areas such as psychology, social work and other human welfare studies to be aligned with allied health.</i></b></p> <p><b><i>In addition, we are concerned about the treatment of biomedical science in the new cluster allocations.</i></b></p> <p>The University would like to distinguish this from other science disciplines. Biomedical Science is the primary pathway into a career into biomedical research and laboratory medicine. As such, our graduates are essential in the national and international response to current and future health crises. The COVID pandemic is a perfect demonstration of the enormous and immediate demand for biomedical scientists. Virologists, immunologists, pathologists, biochemists and pharmacologists, who are trained in a Biomedical Science degree, are also at the forefront of the global effort.</p> <p>The cost of delivery of Biomedical Science is high due to the requirement for delivery of hands-on wet laboratory experience. Various forms of stimulated laboratory experiences are utilised, however to produce job ready graduates, a substantial real life experience is needed. Reduced funding would lead to a reduction in job readiness.</p> <p><b><i>The University remains concerned about the decrease in funding for STEM courses.</i></b></p> <p>It is not clear whether the Government has considered the sensitivity of Universities to changes in the student contribution value in an environment of capped Commonwealth Government support. The proposed changed allocations may lead to the unintended consequence of some universities limiting places in the same course that the Government is seeking to promote through pricing incentives. Where a University above cap receives the student contribution alone it is financially incentivised to offer more places in Cluster 1 and less in Clusters 3 and 4.</p> <p>These adjustments which result in an overall decline in total fee for Fields of Education that include Engineering, Maths, Nursing, Teaching and an increase including English, Philosophy, Law, Commerce. These movements compound the possibly unintended financial incentive provided to Universities to offer more places for teaching the publicly stated less desirable fields of study.</p>
<b>Demand Driven Funding for Indigenous Students</b>	<p><b><i>The University supports this measure, and would like to see it extended to all Indigenous students, not just those from Regional areas.</i></b></p> <p>By example, the Central Coast has one of the fastest growing Indigenous populations of any region, however is not classified as regional. Expanding this measure would support educational attainment for all Indigenous students, which lags behind non-Indigenous students regardless of their location.</p>

<p><b>IRLSAF Eligibility:</b> Eligibility for grants “Table A providers” will be changed to “Table A providers and bodies corporate that are specified in the Other Grants Guidelines for the purposes of this item”.</p>	<p><b><i>The University suggests this amendment be removed.</i></b></p> <p>The University is concerned that the expansion of eligibility criteria for Grants to promote equality of opportunity of education are being expanded to include entities that are not Table A providers. This may reduce the overall equity funding available to universities. We strongly suggest this be subject to additional consultation within the sector. Further, we suggest that if equity funding is extended beyond Table A providers, additional funding is made available.</p>
<p><b>Integrity Measures:</b></p> <p>Currently providers have responsibilities under the HESA Act in relation to how and when they advise the Commonwealth that a student is “Commonwealth supported”. The conditions under this section of the Act (36-10) are being expanded to require that all providers assess the academic suitability of a student to undertake a unit of study prior to receiving Commonwealth assistance for that unit.</p> <p>Proposed amendment to the legislation also impose new limits on students enrolling above the maximum 2.0 Equivalent Full Time Study Load (EFTSL) in a 12 month period and eligibility for student loans.</p>	<p><b><i>The University recommends additional consultation on the impact of the proposed changes on students from equity backgrounds.</i></b></p> <p>Such students build their understanding of their higher education course and/or struggle due to a range of external pressures and disadvantages. ‘Student Protection Measures’ (bottom of page 5 of the explainer and page 36/37 of the exposure draft) suggests students who fail more than half of a FTE load at some point would be denied access to Commonwealth support but it is not clear what this means. For some students a process of settling and re-orienting is needed to be addressed in relation to equity commitments and this could be an enormous penalty to lose access to Commonwealth Support forever due to this process.</p> <p>Because students have to fail 50% of units in two consecutive semesters, the academic progress processes in most institutions, including the University of Newcastle would pick them up. Under the proposed approach University’s may be less likely to support these students as it appears institutions would have to refund the HECS-HELP component to the student and lose their CSP.</p> <p>The key concept here is that of a ‘genuine’ student, defined in the HE Provider Guidelines, and TEQSA and the Department Secretary would be given extra powers to find out, and determine, whether students are genuine.</p> <p>This approach will have a negative impact on particular cohorts including students with disability and care or work responsibilities. Dropping load has negative consequences for those receiving Centrelink support and, in many cases, those who receive scholarships.</p> <p>It is important to note that academic failure is not a problem of ‘extremes’ but affects a significant share of students. The University of Newcastle has a dedicated team who work with students in the Academic Progress process. Students who fail 50% of their load in a semester are a significant minority. This will likely to punish those already disadvantaged and seems to be a serious overreaction to some extreme cases. An alternative approach would be to use the CHESN to monitor the issue of students enrolling in multiple courses at multiple institutions.</p>
<p><b>Grandfathering Provisions</b></p>	<p><b><i>The University supports the grandfathering of student contributions, however we note significant issues with implementation may arise from grandfathering arrangements.</i></b></p> <p>This is primarily due to a mismatch between transitional support for the MBGA (3 years), and no time limiting of grandfathering provisions.</p>

	<p>It is important that legislation is not time limited to allow for those in part-time study and those in longer degree/honours programs. There are concerns however, that the transitional support would only apply for three years, meaning universities would be absorbing any fee shortfall arising from the grandfathering provisions.</p>
<b>Definition of Regional</b>	<p><b><i>The University does not support the continued use of the ABS Remoteness Structure to determine regionality.</i></b></p> <p>The University of Newcastle's primary campus is not located within a major metropolitan city and serves regions with low higher educational attainment rates.</p> <p>Comparable universities to our own, similarly located in non-metropolitan areas and serving similar cohorts, will be captured as regional areas using the ABS Remoteness Structure. We suggest a more nuanced approach is required to ensure these broad definitions to not inadvertently misrepresent the demographics supported by institutions like the University of Newcastle.</p>
<b>Audits of Higher Education Providers (Schedule 5)</b>	<p><b><i>The University recommends additional consultation on this measure</i></b></p> <p>The University of Newcastle supports open and transparent processes in public institutions, however the purpose of the additional audit provisions provided in the legislation is unclear. We recommend additional consultation with the sector on this measure to ensure it is fit for purpose.</p>