ADDITIONAL SUBMISSION TO REGIONAL EDUCATION EXPERT ADVISORY GROUP

15 March 2019

In the Universities Australia (UA) submission (Attachment A) of 1 February 2019 to the Regional Education Expert Advisory Group (Advisory Group), UA called on Government to:

- restore the demand-driven system;
- support university participation programs through appropriate funding of HEPPP;
- review student income support;
- consider how to support universities' capital needs, especially around student accommodation;
- invest in VET to support regional access to tertiary education, including through various forms of university-VET partnerships; and
- consider options for investment in innovative online delivery of higher education.

UA is pleased these recommendations have been reflected in proposed measures in the six additional papers released by the Advisory Group on 1 March 2019. UA welcomes the opportunity to respond as the peak body representing Australia's 39 comprehensive universities to the Advisory Group's proposals in the additional papers.

UA has responded to the proposed measures of greatest relevance to its members and on which it has expertise.

In a separate submission to DET on performance-based funding for the Commonwealth Grants Scheme (CGS), UA noted the single most effective program to enhance performance in diversity, opportunity and success has been the demand-driven system (DDS). This effectively ended with the Government's funding freeze in 2017. UA contends many of the intended goals for regional and remote higher education students outlined in the six papers could be addressed with a return to the DDS as the starting point.

Advisory Group's proposed measure – additional places for regional university providers:

Consider providing additional Commonwealth-funded university places in RRR areas, including for enabling and sub-bachelor courses, which play a particularly important role in supporting pathways and meeting the education and training needs of RRR areas.

UA made extensive comments in its original submission on the significant consequences of freezing the DDS. These consequences are likely to be particularly felt by equity groups and widen the attainment gap between regional and metropolitan areas.

The demand-driven system enabled thousands more regional people, who may not otherwise have had the opportunity, to participate – and succeed – in higher education. However, the DDS was effectively abolished in the 2017–18 Mid-Year Economic and Fiscal Outlook, which froze funding at 2017 (nominal) levels, regardless of inflation or increases in student numbers. This is a cut of $2.1 billion over the forward estimates.

Despite common misconceptions, growth in the number of student places funded under the DDS had plateaued in 2014. As a result, the level of Government expenditure on the DDS was stable before the then-Turnbull Government froze funding in 2017. In the last three years of the demand-driven system (2015–2017), average annual growth in Government-funded places was only 1.4 per cent. In 2017, growth was down to 1.1 per cent. This was just below Australia's population growth in 2017 of 1.6 per cent.[1]

UA strongly supports restoring the DDS across the entire sector. The DDS has led to participation among equity groups and capacity building to meet future labour market needs – and in particular RRR development. However, limiting the DDS to RRR areas would skew the system and discriminate against regional students wishing to study at a metropolitan university. UA also has concerns surrounding transparency in defining RRR areas. Who would be eligible for more places and what criteria would this be based on?

UA continues to advocate extending the DDS to sub-bachelor courses. It was originally intended that these courses would be included in the DDS.

Advisory Group's proposed measure – performance-based funding:

Governments could explore enhanced performance funding arrangements for university, TAFE and private VET providers to reward success in supporting participation and completions for RRR students, drawing on existing models across jurisdictions.

UA has serious concerns about the model proposed in the Department's discussion paper on performance-based funding for the CGS. Applying common metrics across the sector would ignore institutions' geographic and mission diversity. A performance funding system should not penalise universities because their particular cohorts, communities or programs may lead to different outcomes to their counterparts on particular indicators.

UA would refer the Advisory Group to its submission on performance-based funding (Attachment B) for the problems inherent in a 'one-size-fits-all'. Such an approach would create a real risk of perverse incentives leading to negative outcomes.

Advisory Group's proposed measure – enhance the Regional Study Hubs program:

Closely monitor the outcomes of the Regional Study Hubs program and consider further enhancements, including:

- *Sharing and disseminating best practice between Hubs*

- *Exploring potential to expand the program, including a flexible range of models including opportunities to integrate hubs with existing TAFE and university campuses.*

As already stated in UA's previous submission, Regional Study Hubs are a proven way to make higher education more accessible to regional students and enable students to continue their studies if they find themselves needing to leave a city-based campus and return to their home region. This enhances success and completion. UA supports the sharing of best practice to ensure the hubs continue to operate with the best support for students.

However, Regional Study Hubs are distinct from university campuses and the learning and social benefits that campuses offer to students. While Regional Study Hubs are a useful addition to higher education delivery they are not – and cannot be – a standalone solution to the problem of the accessibility of higher education in the regions.

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[1] Australian Bureau of Statistics, *Australian Demographics Statistics, June 2017.*

Advisory Group's proposed measure – enhanced student support:

Implement strategies to improve the quality and range of support VET and higher education institutions provide RRR students, particularly those relocating to metropolitan areas, including by:

- *identifying and disseminating information on a core suite of best practice intervention and offerings universities should provide to support RRR students, including the following services:*

  » *pastoral care*

  » *specific RRR student orientation*

  » *mentoring/buddy programs*

  » *priority accommodation for RRR students*

  » *academic support, including academic concierge*

  » *regular contact with all RRR students via email, phone and SMS, especially those identified as 'at risk'*

  » *childcare support*

  » *employment assistance*

- *requiring transparent reporting by institutions, to enable students to see the support services a particular tertiary institution has available*

- *leveraging existing online platforms aimed at prospective and current tertiary students, such as Study Assist or Course Seeker, to provide comprehensive information to students on adulthood basics, including budgeting advice, time management tips and easy recipe ideas.*

Universities offer a range of proactive services to support students from equity groups, including RRR students. These services are funded through a mix of university funds, Government HEPPP or ISSP funding, and philanthropic support.

While UA supports in principle the sharing of best practice, universities are becoming increasingly sophisticated at implementing services that work for the unique cohorts of students at their institution. Practices necessarily differ between universities in accordance with the needs of each institution and its students. The most effective support for universities would be reliable and consistent funding.

Funding cuts, such as the freezing of the DDS which resulted in an estimated 10,000 places receiving no Government funding in 2018, have made it harder for universities to offer support services for students who require academic and pastoral support. Previous funding cuts to HEPPP amounting to $250 million in recent years had already put these services under strain – at a time of growing demand.

Universities disseminate information to students on support services available to them – particularly so for students identified as at greater risk of disengagement. Several examples of proactive strategies to improve retention of Indigenous students identified as 'at risk' are cited in UA's first report on progress under the UA Indigenous Strategy 2017–2020. Unnecessary, duplicated and overly burdensome reporting obligations on universities will only detract from implementation of these crucial services.

UA gives in-principle support to improvement of the Study Assist and Course Seeker websites to benefit students and would welcome being involved in discussions on any future modifications.

Advisory Group's proposed measures:

- **Improved targeting of HEPPP funding to RRR learners from low SES backgrounds;**

- **Better support for RRR Aboriginal and/or Torres Strait Islander learners;**

- **Better support for RRR learners with disability; and**

- **Better support for learners from rural, remote and very remote areas.**

For example, consider quarantining a component of HEPPP for RRR initiatives, focused on providing longer-term funding for successful evidence-based programs, including delivery of outreach services to school students and adult learners through regionally based collaborative, multi-university, cross-sectoral partnerships.

For example, by exploring opportunities to use the new RRR HEPPP component canvassed above to direct increased funding to successful outreach programs, and provide tailored academic support and mentoring to students in their later years of study and distance learners.

As part of the student support measures canvassed in Issues Paper 3, require universities to provide comprehensive information on support available for learners with disability such as accommodation, inclusive learning environments, facilities and specialised assistance to help students secure part-time employment while studying and full-time employment post-graduation.

For example, through exploring options to improve income support canvassed in Issues Paper 2; investigating current access to reliable, high speed and affordable internet services for students and providers, also canvassed in Issues Paper 2; and university programs to retain students facing hardship due to drought and other climatic events by supporting them to take a break from their studies, similar to support available for elite athletes and defence reserves.

As stated in UA's original submission, HEPPP has already suffered cuts amounting to $250 million in recent years. Having started at around two per cent of the main Government funding line for university places – the Commonwealth Grant Scheme (CGS) – HEPPP has never come close to the target of four per cent of CGS due to repeated cuts and sits at just over two per cent of CGS in 2018–19.[2] Reinstating HEPP funding to the levels originally intended would be a positive step to mobilise the transformative power of education for all Australians and avoid taking away from one equity group to support another.

UA would caution against overly prescriptive funding frameworks that do not allow universities to deliver innovative strategies to enhance participation, retention and graduation rates for regional and remote students from low SES backgrounds, Aboriginal and Torres Strait Islander students and students with disability. Further, restricting HEPPP funding to the proposed measures without additional explicit funding would only result in limited HEPPP funding being diluted across the board.

A degree of flexibility, for public not-for-profit institutions with proven track records of delivering educational and social outcomes, enables universities to direct support where it is needed most and reduces the likelihood of necessary tension between universities' aspiration and targets or goals of Governments.

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[2] DET (2018), *Portfolio Budget Statement.*

Advisory Group's proposed measures – Improving access to financial support

Income support payments: *Building on the Government's recent initiatives to make it easier for RRR students to access Youth Allowance, consider measures to further improve access to income support and address the higher deferral rates for RRR students, such as assistance with relocation, accommodation and travel costs for higher education and VET students.*

UA's original submission provides substantial detail on issues surrounding adequacy of income support and the additional costs associated with being a RRR student.

UA supports Government reviewing income support to address the higher rate for RRR students and would welcome the opportunity to consult closely with Government on the findings of the UA Income Support Project.

Other scholarship programs and accommodation support: *Consider expanding scholarship programs administered in the Education and Training portfolio, including changes to consolidate and simplify the various schemes, or provide additional support with relocation and accommodation costs.*

Student accommodation is one of many infrastructure challenges for universities. Over recent years, the Commonwealth has phased out capital grants programs. The Government has tried more than once to abolish the last remaining dedicated capital funding line for universities, the Education Infrastructure Fund (EIF). As mentioned elsewhere in this submission, this means that $3.9 billion in potential funding for university infrastructure is currently lying idle.

This leaves the university system with nowhere to go for public support for essential infrastructure and accommodation. Public funds for infrastructure are often the seed required to attract private and other investment. This deficit creates particular difficulties for regional universities, where operating margins tend to be smaller and alternative sources of capital investment more limited.

UA supports the ongoing provision of Relocation Scholarships to regional students (and to other students planning on studying in the regions) who are in receipt of Youth Allowance and ABSTUDY. For many students this scholarship would make the difference in deciding whether they can afford to undertake tertiary study.

UA also supports Rural and Regional Enterprise Scholarships for regional students studying STEM subjects, a discipline area in which regional students are traditionally underrepresented. The value of these scholarships is appropriate at $18,000, but UA notes that the number of students that benefit will be small and the resources available for the scholarships will be exhausted after only two funding rounds.

Information on financial support: *Improve online access to information and provide students/families with more easily understood information on financial support available for higher education and VET studies, by improving existing websites or creating a new portal that consolidates existing information.*

UA supports Government providing easily accessible information for students/families and notes that universities already invest in specific support units to assist students navigate a complicated financial support model.

Advisory Group's proposed measure – internet access:

Deliver access to 21st century internet services, which is crucial to improving educational opportunities and outcomes for RRR students. Building on the 2018 Regional Telecommunications Review, investigate current internet access for students and tertiary education providers in RRR areas, to inform ongoing action to enable students to access reliable, high speed and affordable internet services within a reasonable proximity to where they live.

UA supports in principle Government investing in 21st century internet services given distance education is a powerful way to make university accessible to regional and remote students. As already stated in UA's original submission, the impact of the freeze – and other funding cuts – on university budgets makes it difficult, and unnecessarily risky, to develop new courses, programs and ways of delivery. Increased investment in innovative online delivery at significant scale is a key element in improving access for RRR students.

Advisory Group's proposed measure – recognition of prior learning:

Implement a more consistent, transparent and transferrable system of recognition of prior learning and credit transfer to support pathways for articulation between providers, including a national credit points system, informed by the Australian Qualification Framework review.

UA provides in-principle support for a consistent, transparent and transferrable system of RPL and credit transfer pathways. There are however notable practical considerations that universities, as self-accrediting institutions, regularly work through with their students on a case-by-case basis depending on the nature of the previous qualification and degree they are intending to enrol in.

UA is wary about proposals for credit recognition and recognition of prior learning that appear prescriptive. It would not be appropriate or helpful to adopt a system that purported to reduce the proper role of informed academic judgement in credit recognition and admissions. This could potentially damage the quality and reputation of Australian higher education. More importantly, it has the potential to mislead students and could set them up for failure.

Advisory Group's proposed measure – building research capacity:

Explore opportunities to support regional university providers to improve their research capacity, for example by:

- *Implementing a new grants program to support building research capacity and institutional research infrastructure in regional universities, including networks and partnerships with metropolitan universities, and to help position and encourage them to play a greater role in Australia's future national research infrastructure system.*

- *Undertaking scoping studies for new national research infrastructure (NRI) investments to identify new opportunities for research in RRR areas.*

Rather than creating new grants programs, UA advocates working to ensure existing mechanisms and programs sufficiently support regional, rural and remote research capacity building and national participation.

UA also cautions that the balance between peer-reviewed competitive grants and allocated funding needs to be carefully managed.

UA notes that Australia has, standing ready, $3.9 billion to invest in teaching and research infrastructure across the country; the Education Investment Fund (EIF). The EIF has contributed to rural and regional development in the past. In 2011–2012 the Government allocated $500 million from the EIF to a Regional

Priorities Round, announcing it would "give students, staff and researchers in regional Australia access to world class teaching, training and research facilities".[3] Projects funded through the round included health, engineering and science, and in locations including northern Queensland, the Hunter region and Mt Gambier.

The EIF has been closed to new applications since 2012, leaving funds that could be building research and teaching capacity across the country sitting inactive. Re-activating the EIF would be a fast, proven mechanism to inject funds to invest in research capacity and infrastructure to the benefit of regional, rural and remote locations. However, UA cautions against using geography as a criterion for allocating funds, the place of impact is a more important criterion.

UA also notes the considerable effort that has gone into reviewing and planning Australia's national research infrastructure through the Roadmap and Research Infrastructure Investment Plan processes. UA supports a strategic, whole-of-Government approach to investing in national research infrastructure, and therefore would support scoping studies if they are conducted under the auspices of already established processes. However, ensuring location is not an impediment to accessing NCRIS facilities would be a useful outcome of the Advisory Group's work.

To support regional, rural and remote research most effectively, it is important to understand the web of partnerships and activities that extends across researchers and other communities, including universities, state and territory governments, industry and community organisations.

There are other, targeted, existing mechanisms for supporting research conducted in, or that impacts on, regional, rural and remote areas. For example, in 2017–18, the 15 Rural Research and Development Corporations (RDCs) invested around $750 million in rural research, development and enterprise (RD&E) to improve the profitability and sustainability of rural industries and communities.[4]

The current size of activity should not be underestimated – according to the Rural Development Corporations, national expenditure on RD&E in 2014–2015 was $3.3 billion.

Advisory Group's proposed measure – attracting international students:

Drawing on the Council for International Education's recent work on Growing International Education in Regional Australia, consider initiatives to encourage international students to enrol in regional institutions, such as scholarships and more flexible work and migration pathways.

UA strongly advocates for international enrolment practices that are market-driven and based on student choice. Mandates on where a student should study would only harm Australia's $34 billion international education sector and result in complex compliance regimes. Hence, UA would seek the opportunity to further engage with the Advisory Group and DET on any proposed initiatives to *encourage* international students to enrol in regional institutions.

Years of knowledge and experience about what helps to attract international students to Australia confirms that any bid to limit international students' options for enrolment would carry inherent risk. Universities across the country all value the opportunity to recruit international students, and caution is advised in implementing measures which have the potential to negatively impact on Australia's international education system.

The current student visa system serves Australia well and UA would not advocate for changes to the system that lowers the bar regarding current visa requirements. There are incentives in place to attract migrants to particular parts of Australia and they should be revisited in the context of this discussion.

The overarching principle in this exercise should be to do no harm.

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[3] Education Investment Fund: Program Guidelines EIF Regional Priorities Round, p2

[4] http://www.ruralrdc.com.au/impact-assessment-and-performance/

Advisory Group's proposed measure – work-integrated learning and internships:

Explore opportunities to encourage uptake and provision of work-integrated learning opportunities, for example by establishing a program which supports VET and university students from metropolitan areas to undertake work-integrated learning placements in regional and remote areas as part of their course, including internships, mentorships, practicums, research, teaching and tutoring placements.

UA suggests the Advisory Group focus efforts on increasing opportunities for regional and remote students to participate in work integrated learning (WIL) in RRR areas. Data available to UA indicates WIL participation rates of students from regional and remote areas are lower than students from metropolitan areas, in all broad fields of study.

Anecdotal evidence from regional and rural students indicates they face particular challenges in accessing WIL due to lack of proximity to employers, with some forgoing a WIL experience because they can't afford transport costs to the workplace.

Whilst UA provides in-principle support to attracting metropolitan students to undertake practical opportunities in RRR areas, this should not come at the expense of existing regional and remote students or universities. This measure could result in further inequity, for example, if opportunities among the already limited number of industry employers able to offer WIL were prioritised for metropolitan students in lieu of regional and remote students. It also has the potential to create further inequity if metropolitan universities/students are potentially eligible for Government funding to undertake these opportunities, while regional universities/students are not.

The Advisory Group also sought feedback on the issues canvassed in paper six 'Targets implementation and monitoring', including:

- *possible targets and other performance measures*

- *the Regional Education Commissioner proposal and potential functions that could be attached to this role, and*

- *other potential approaches and governance models to coordinate implementation activity.*

UA believes targets to increase attainment in RRR areas are a positive step and should be considered by policy makers in the development of various initiatives, either directly related to RRR areas or indirectly. Of course, there are differences in economic and labour needs of RRR communities that may limit its ability to meet these targets. These differences should also be recognised in the design of strategies/programs to meet the high-level targets.

As stated previously, UA's starting point in terms of increasing participation and attainment rates for RRR students, and other equity groups, is the return of the DDS.

UA notes the potential roles of a Regional Education Commissioner put forward by the Advisory Group and would welcome the opportunity to be involved in further discussions on the portfolio responsibility of this role as/if it progresses.