

**Australian Catholic University (ACU)
Submission to the Senate Inquiry into the
Principles of the *Higher Education and
Research Reform Bill 2014, and Related
Matters***

February 2015

AUSTRALIAN CATHOLIC UNIVERSITY (ACU) SUBMISSION TO THE SENATE INQUIRY INTO THE PRINCIPLES OF THE *HIGHER EDUCATION AND RESEARCH REFORM BILL 2014*, AND RELATED MATTERS

February 2015

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AUSTRALIAN CATHOLIC UNIVERSITY (ACU) SUBMISSION TO THE SENATE INQUIRY INTO THE PRINCIPLES OF THE *HIGHER EDUCATION AND RESEARCH REFORM BILL 2014*, AND RELATED MATTERS

Australian Catholic University (ACU) welcomes the opportunity to make a submission to the Senate Inquiry into the principles of the *Higher Education and Research Reform Bill 2014* (Bill), and related matters.

ACU maintains its position on the Government's proposed reforms to Higher Education as submitted to the Senate Inquiry into the *Higher Education and Research Reform Bill 2014*. ACU reiterates its position on key aspects of the proposed reforms, and draws the Committee's attention to:

- Attachment A – ACU submission to the Senate Inquiry into the *Higher Education and Research Reform Bill 2014*
- Attachment B – ACU submission to the Review of the Demand Driven Funding System

ACU makes the following key comments with respect to the principles of the Bill.

Equity and Opportunity Context of the Bill

The Bill and the package of reforms of which it forms part needs to be considered and assessed in its wider context, particularly as it relates to equity and opportunity for students.

Three measures strongly reinforce the equity and opportunity credentials of the Bill as a part of the Australian higher education landscape.

The first is the Commonwealth Scholarships Scheme.

The second is the maintenance of the entire structure of income contingent student loans, a major contribution of Australia to higher education policy, which strongly moderates the excesses of student debt associated with systems like that of the United States. The continuance of this fundamental feature within the policy framework envisaged by the Bill is noted here as framing the totality of the current debate.

The third equity and opportunity context within which the Bill must be considered is the maintenance by the Abbott Government of the Demand Driven Funding System (DDS)¹ which has seen the extension of the opportunity for university study to many thousands of students. The continuation of the DDS has not always been beyond doubt, and indeed has come under threat from a number of quarters. Its subsistence within the context of the Bill under consideration is a major factor weighing in its favour in terms of equity and opportunity. In short, a major policy asset of the Bill is its further maintenance of the DDS, and this point is considered immediately below. In fact, the system being extended to sub bachelor places is a further demonstration of the strong commitment to equity in the Bill.

¹ Universities are currently operating under a demand driven funding system (DDS), where they are able to offer a Commonwealth Supported Place to as many domestic undergraduate students as they have the capacity to teach. The DDS commenced in 2012 with a phase in period for the three preceding years. Prior to this, the Federal Government dictated the number of university places a university could offer in a particular course. The DDS is designed to meet growing workforce demand for university graduates by funding universities on the basis of student demand rather than central allocation by the Commonwealth.

Maintain the Demand Driven Funding System

ACU is a strong advocate for maintaining the DDS as sound public policy. The DDS is universally recognised as a major reform achievement of the Rudd/Gillard Government.² Its great benefits have also been championed by the Abbott Government.

The DDS is designed to meet growing workforce demand for university graduates by funding universities on the basis of student demand for courses and industry need, rather than through central allocation of places by the Commonwealth. The demand driven system has enabled 190,000 additional students to receive a university education. Under a capped system, these students would have been deprived of this opportunity, and Australia would be further behind in its efforts to meet workforce shortages and boost national productivity.

There are five major economic reasons for maintaining the DDS.

1. The demand driven system is driving allocative efficiencies among universities.
2. By creating a more competitive market, the demand driven system drives universities to focus on students as customers.
3. The demand driven system helps Australia meet its graduate shortages.
4. Any potential economic downturn means that the higher education system needs to be more flexible to respond to increasing demand.
5. The system does not adversely affect quality.

Under the DDS:

- All qualified students are entitled to receive a Commonwealth subsidised higher education place at a recognised institution.
- Students have a choice as to which recognised institution to attend.
- Funding follows the student.
- Public universities are able to flexibly and appropriately set the number of places they offer to students based on student demand, and the needs of employers and industry. The Government no longer specifies how many undergraduate student places it will fund public universities to provide.³

Public Policy Imperative to Maintain the Demand Driven Funding System

The DDS is universally regarded as a major reform of the Rudd/Gillard Government and should be championed.

Julia Gillard has identified the great benefits of the DDS:

I am particularly proud of our decision to unchain Australian universities, to enable them to define their own mission and educate more students. Specifically from academic year 2010 to academic year 2012, the changes moved universities in stages from a capped system of student places to an uncapped system. Universities could offer more places if they wanted to and government funding was made available per student enrolled. As a result of the new system, while students continue to compete for places, universities increasingly have to compete for students. In an uncapped system, a better run, better quality university can attract students who might be considering other universities. There is a reason to reach out to under-serviced country areas. The allocation of places by government no longer forces students into a pattern of enrolment.

The red-tape bound system I inherited took a one-size-fits-all approach. But our universities are not all the same and the best future for them is not a uniform one. Some, like the Australian National University and Sydney and Melbourne universities, are institutions able to trade on and build their prestige. Their futures will not be in mass expansion in student places but teaching limited numbers of students well while engaging in comprehensive, world-leading research programs.

² See for instance Chris Bowen, *Hearts and Minds: A Blueprint for Modern Labor* (2013), at 77-78. See also Christopher Pyne, "Spreading Opportunity and Staying Competitive", Address to the National Press Club 6 August 2014. Pyne described it as a "landmark reform".

³ Courses of study in medicine are the only exception.

Other universities aspire to be big educators of undergraduates, including those reaching people who have traditionally been denied access to university education. The University of Western Sydney is a stand-out example.

James Cook University will continue to revel in being a university of and for its geographic place. With its main campus in Townsville, it leads the world in some tropical-research fields, including tropical medicine.

The University of Adelaide is a fine example of innovation, choosing to find the future by rediscovering the best of the past, with small-number personal-contact teaching models.

While our reforms allowed universities to grow to their own desired size, they also introduced a new focus on quality. In Australia, prior to our reforms, no one ever questioned whether an institution was worthy of the university label. We developed a new approach in which quality would be measured and more transparent. No one would be able to rest on their laurels and live off past successes. Everyone would be held to account in the same way we were holding schools to account for quality.

Regardless of each university's characteristics, I also insisted that the new system offer special rewards for getting students from poorer families into higher education. Money spoke, and more and more students of low SES were enrolled. More and more of them thrived once studying."⁴

Similarly, Chris Bowen has identified the DDS as “a major reform of which Labor can be proud and must protect and defend”⁵, and particularly noted the equity objectives of the system:

On coming to office, Labor engaged Denise Bradley to review the university funding model with a goal of enhancing the equity of access. What followed was a major reform of which Labor can be proud and must protect and defend. The old system of governments setting the number of students each university is allowed to take has been abolished and funding has been uncapped. As a result 200,000 more university places have been created.

This increase in the number of university places has been accompanied by a large increase in the number of ‘first in family’ attendees at universities. Since 2010 there has been a 15 per cent increase in the number of people who are attending university of low socioeconomic status. Universities have also been given funding for programs to improve participation, and some reward funding has been tied to improved enrolment figures for people from lower socioeconomic backgrounds.”⁶

The Abbott Government has been right to maintain the DDS. The Minister for Education, The Hon Christopher Pyne MP, has hailed the system as a “landmark reform.”⁷ Minister Pyne has commented that:

The demand driven system has afforded universities a measure of ‘freedom to run their affairs’ unprecedented in recent history, and allowed universities increasingly to determine their own strategic directions and priorities. I am delighted that universities have responded to this freedom with imagination and energy.⁸

⁴ Gillard, J., *My Story* (2014), at 329-331.

⁵ Bowen, C., *Hearts and Minds: A Blueprint for Modern Labor* (2013), at 77-78.

⁶ Bowen, C., *Hearts and Minds: A Blueprint for Modern Labor* (2013), at 77-78.

⁷ For instance see Address by The Hon Christopher Pyne MP to the National Press Club, “*Spreading Opportunity and Staying Competitive*” (6 August 2014). Transcript available at <http://www.liberal.org.au/latest-news/2014/08/06/hon-christopher-pyne-mp-spreading-opportunity-and-staying-competitive-%E2%80%93-why>

⁸ Address by The Hon Christopher Pyne MP to the Universities Australia Conference Dinner, *Embracing the new freedom: Classical values and new frontiers for Australia's universities* (26 February 2014). Transcript available at <http://www.pyneonline.com.au/media/speeches-media/address-to-the-universities-australia-conference-dinner>

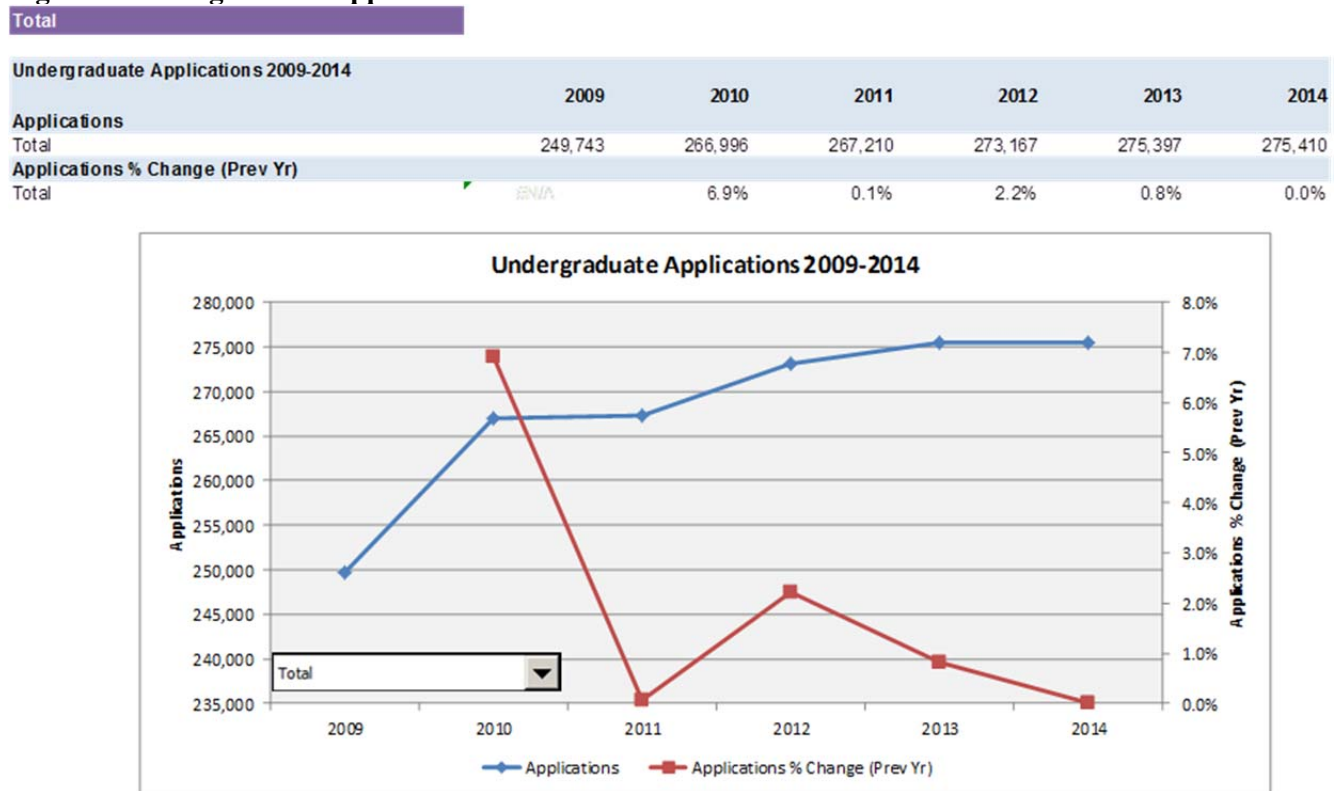
We should not forget the significance of the demand driven system and the Higher Education Loan Program in creating opportunities for people to study at university.⁹

ACU endorses the Government’s commitment to maintain the DDS for undergraduate university student places.

Occasionally there are concerns expressed that the DDS will lead to unlimited growth in the university sector. However, experience shows that after rapid growth up to the period 2010, since then there has been a dramatic slowing in the rate of growth of undergraduate applicants across all universities (aggregated); as the table below illustrates.

ACU’s experience indicates that the rate of enrolment growth is slowing and will not be infinite; particularly as there is a limited pool of students who both wish to pursue, and are suited to, undertake higher education.¹⁰ Particularly supporting the latter assertion, the latest university undergraduate application data shows a trend towards, and close to, a flat lining of applications for undergraduate places, with clear evidence of a decrease in the annual growth rate (change from each previous year) for undergraduate applications for the university sector since 2012 (see Figure 1 below).¹¹

Figure 1. Undergraduate Applications and Annual Growth Rates – Australian Universities: 2009-2014



⁹ Address by The Hon Christopher Pyne MP to the Universities Australia Conference Dinner, *Embracing the new freedom: Classical values and new frontiers for Australia’s universities* (26 February 2014), transcript available at <http://www.pyneonline.com.au/media/speeches-media/address-to-the-universities-australia-conference-dinner>

¹⁰ Schwartz, S., ‘Higher Education’ in Markwell, D., Thompson, R., and Leeser, J. (ed), *State of the Nation: Aspects of Australian Public Policy* (2013), at 222.

¹¹ Figure 1 data: Based on data sourced from the Australian Government Department of Education and Training, ‘Undergraduate applications, offers and acceptances 2014 appendices’, at <https://docs.education.gov.au/node/36745>. Data analysis prepared by Australian Catholic University (ACU) (February 2015). Data relates to aggregate data for all 39 Australian universities. Unless otherwise specified, all data relates to domestic applications, offers and acceptances made through Tertiary Admissions Centres for undergraduate Commonwealth-supported places (CSPs).

The continuation of the DDS, with all its manifest benefits, is not something that simply can be taken for granted within the Australian Higher Education system. Its maintenance in the context of the policy environment proposed by the Bill therefore is a major point in that Bill's favour from the aspect of equity and opportunity.

Attachment B provides a copy of ACU's submission to the Review of the Demand Driven Funding System, which provides further evidence and strong public policy arguments for maintaining the DDS.

Attachment A – Australian Catholic University (ACU) Submission to the Senate Inquiry into the *Higher Education and Research Reform Bill 2014*

(See separate document attached)

Attachment B – Australian Catholic University (ACU) Submission to the Review of the Demand Driven Funding System

(See separate document attached)

Attachment C - Australian Catholic University (ACU) Profile

Australian Catholic University (ACU) is a publicly funded Catholic university, open to people of all faiths and of none. ACU operates as a multi-jurisdictional university with seven campuses across four states and one territory. ACU campuses are located in North Sydney (NSW), Strathfield (NSW), Canberra (ACT), Melbourne (Victoria), Ballarat (Victoria), Brisbane (QLD) and Adelaide (SA).

ACU is the largest Catholic university in the English speaking world.

Today, ACU has more than 30,000 students and over 1,800 staff.

While teaching, learning, and research at ACU is inspired by 2000 years of Catholic intellectual tradition, ACU is a diverse institution, attracting students and staff from a diverse range of faiths and backgrounds.

ACU graduates demonstrate high standards of professional excellence and are also socially responsible, highly employable and committed to active and responsive learning. ACU graduates are highly sought after by employers, with ACU graduates securing a 95 per cent employment rate which is higher than the national average.¹²

ACU has built its reputation in the areas of health and education and is a major producer of nursing and teaching graduates in Australia.

ACU educates the largest number of undergraduate nursing and teaching students in Australia,¹³ serving to meet significant workforce needs in these areas. Under the demand driven system, ACU has sought to focus and build on these strengths.

On 1 January 2014, ACU consolidated its previous six faculties into four:

- Faculty of Health Sciences;
- Faculty of Education and Arts;
- Faculty of Law and Business; and
- Faculty of Theology and Philosophy.

These new arrangements create a more efficient and competitive structure focused on the needs of industry and employment partners. ACU is also moving towards the adoption of a shared services model where suitable, to improve efficiencies, internal processes and better allocate resources.

ACU is committed to targeted and quality research. ACU's strategic plan focuses on areas that align with ACU's mission and reflect most of its learning and teaching: Education; Health and Wellbeing; Theology and Philosophy; and Social Justice and the Common Good. To underpin its plan for research intensification, in 2013 ACU abolished its existing research centres and groups and set about establishing new research institutes, to align with the mission of the university. The strategy has involved the appointment of high profile leaders to assume the directorships of these institutes, and to work with high calibre Institute members and Centre/Program leaders.¹⁴

- The Mary MacKillop Institute for Health Research (Faculty of Health Sciences)
- Institute for Positive Psychology and Education (IPPE) (Faculty of Health Sciences)
- The Institute for Health and Ageing (Faculty of Health Sciences)
- Learning Sciences Institute of Australia (LSIA) (Faculty of Education and Arts)
- Institute for Social Justice (Faculty of Education and Arts)
- Institute for Religion and Critical Inquiry (Faculty of Theology and Philosophy)
- Institute for Religion, Politics and Society (IRPS) (Faculty of Theology and Philosophy)

¹² *Graduate Destination Survey (GDS) 2012.*

¹³ Hobsons, *The Good Universities Guide 2015 to Universities, TAFEs and Higher Education Providers* (2014).

¹⁴ See Australian Catholic University, 'Research Institutes', at http://www.acu.edu.au/research/research_institutes_and_programs

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Executive Summary

Australian Catholic University (ACU) welcomes the opportunity to make a submission to the Senate Inquiry into the *Higher Education and Research Reform Bill 2014* (Bill).

ACU maintains its position on the Government's proposed reforms to Higher Education as submitted to the Senate Inquiry into the previous *Higher Education and Research Reform Amendment Bill 2014* (previous Bill). This submission reiterates ACU's position on key aspects of the proposed reforms, with the following additional comments concerning new provisions contained in the present Bill:

- ***No minimum low SES quotas or arbitrary threshold requirements for eligibility to access Higher Education Participation Programme funding***

The eligibility criteria for the proposed Higher Education Participation (Access and Participation) Programme (HEPAPP) and the Higher Education Participation (Scholarships Fund) Programme require clarification. ACU particularly:

- Opposes any minimum quotas or arbitrary threshold requirements being set with respect to low SES student enrolments as a condition of eligibility for the HEPAPP and Scholarships Fund programmes, as this would have an impact that is counter to the Government's objectives to increase access and participation in higher education by students from disadvantaged backgrounds.
 - Calls for clarification and greater funding certainty for providers with respect to the administration of the HEPAPP and the Scholarships Fund Programmes.
- ***ACU supports the provisions in the Bill to retain the Consumer Price Index (CPI) as the indexation rate of HELP debts.***

ACU supports most of the reforms contained in the Bill.

ACU particularly endorses the proposals to:

- Maintain the demand driven funding system for undergraduate university places.
- Extend the demand driven funding system to sub-bachelor places.
- Deregulate university fees.
- Retain the Consumer Price Index (CPI) as the indexation rate of HELP debts.
- Repeal the requirement for a mission based compact for universities.

ACU supports these elements as they provide a secure basis for maintaining the Australian higher education system with greater access for students who are first in family to attend university. They allow universities to plan and have a degree of fiscal independence and autonomy with reductions in reporting requirements. Greater financial autonomy will allow institutions to invest in research and ensure that the Australian higher education system is not left behind due to inadequate investment.

Keep the new funding tiers as proposed by the Government

ACU strongly supports the position of Universities Australia that funding cuts are undesirable, for all the reasons advanced by Universities Australia.

In the event, however, that funding cuts do occur, ACU strongly supports the differential level funding of courses as proposed by the Government.

The Government's figures take into account the cost of delivering the course and the capacity for the student to repay based on the difference in salaries earned in different disciplines.

Some may seek a flat 20 per cent reduction to the Commonwealth contribution to student fees in all tiers. ACU strongly opposes a flat 20 percent funding cut to all courses.

- Such an arrangement would be a major disadvantage to any student undertaking teaching and nursing.
- It would directly disadvantage universities, such as ACU, that have specialised in specific disciplines and do not have the capacity to cross-subsidise their courses in the way that other universities do.

ACU seeks amendments to the Bill

Oppose the extension of funding to NUHEPs

ACU opposes extending public funding to non-university higher education providers.

- In a strained fiscal environment the government should not be making already successful profit making ventures dependent on government funding.
 - NUHEPs have distinctly different objectives: they operate primarily to make profit. Public universities are fundamentally concerned with teaching and learning, quality education, and scholarship.
 - It will have an adverse impact on regional universities and flow-on effects on workforce capacity in critical areas of need across the nation.
 - There is potential adverse impact on the quality and international reputation of Australia's higher education system. TEQSA¹, the sector's quality and standards regulator, has already had resources reduced and will be overburdened (if not so already) in assuring the sustained quality and timely regulation of an expanding list of providers.
 - The substantial costs and important obligations that universities must meet as public institutions require that universities receive a larger share of funding.
- Any Commonwealth funding extended to NUHEPs should be 60 per cent lower than the funding provided to universities, to account for the different nature of the work universities do and the additional responsibilities incurred by universities in their ordinary operations. One broad justification for this figure is on the basis that university academics, if not individually then on an aggregate institutional basis, have workload allocated and remuneration attributed on a 40-40-20 division: that is, 40 per cent teaching, 40 per cent research, 20 per cent administration and community service obligations. As NUHEPs: do not research; do not have particular community service obligations; and have notably fewer regulatory and governance burdens to meet, a 60 per cent differential is reasonable [i.e. Less 40 per cent (research) + 20 per cent (community service and administration/regulation) = 60 per cent differential].
 - If Commonwealth funding is extended to NUHEPs, then they should be required to participate in the Commonwealth Scholarships Scheme. The provisions in the Bill should be amended to remove the minimum institutional student load requirement² for participation in the Scheme, and to provide that all providers in receipt of Commonwealth funding through the extension of the demand driven funding system be required to invest a proportion of their additional revenue, or 'profits' in the case of private providers, in initiatives that support equity and access objectives.

In the event that the Senate proceeds to provide funding to NUHEPs, ACU proposes the following amendment³ be made to clause 45 of the Bill so that the new s 33-10(b) of the *Higher Education and Support Act 2003* reads:

“(b) Otherwise – the amount specified in the table for the cluster the place is in, multiplied by **0.40** and rounded down to the nearest dollar.”

¹ Tertiary Education Quality and Standards Agency (TEQSA).

² The Bill proposes that only providers with an equivalent student load of at least 500 or more full-time domestic students will be required to participate in the Scheme, which would exclude many private providers but effectively require that all universities participate.

³ The amendment is shown in bold.

Support the Maintenance of the Demand Driven Funding System, and its Extension to Sub-bachelor Places

Equity and Opportunity Context of the Bill

The Bill and the package of reforms of which it forms part needs to be considered and assessed in its wider context, particularly as it relates to equity and opportunity for students. The equity of the scheme effected by the Bill cannot be assessed in isolation.

Three major considerations strongly reinforce the equity and opportunity credentials of the Bill as a part of the Australian higher education landscape.

The first is the Commonwealth Scholarships Scheme, contained in the Bill and addressed later in this submission.

The second is the maintenance of the entire structure of income contingent student loans, a major contribution of Australia to higher education policy, which strongly moderates the excesses of student debt associated with systems like that of the United States. The continuance of this fundamental feature within the policy framework envisaged by the Bill is noted here as framing the totality of the current debate.

The third equity and opportunity context within which the Bill must be considered is the maintenance by the Abbott Government of the Demand Driven Funding System (DDS)⁴ which has seen the extension of the opportunity for university study to many thousands of students. The continuation of the DDS has not always been beyond doubt, and indeed has come under threat from a number of quarters. Its subsistence within the context of the Bill under consideration is a major factor weighing in its favour in terms of equity and opportunity. In short, a major policy asset of the Bill is its further maintenance of the DDS, and this point is considered immediately below.

Maintaining the Demand Driven System

ACU is a strong supporter of the DDS. It is universally regarded as a major reform of the Rudd/Gillard Government.⁵ Equally, its continuation represents an equally striking achievement of the Abbott Government. ACU endorses the Government's commitment to maintain the DDS for undergraduate university student places.

There are five major economic reasons for maintaining the DDS:

1. The DDS is driving allocative efficiencies among universities.
2. By creating a more competitive market, the DDS drives universities to focus on students as customers. It also gives students a greater choice of higher education provider.
3. The DDS helps Australia meet its graduate shortage, and to meet the skills needs in the economy by producing graduates in response to workforce demand.

⁴ Universities are currently operating under a demand driven funding system (DDS), where they are able to offer a Commonwealth Supported Place to as many domestic undergraduate students as they have the capacity to teach. The DDS commenced in 2012 with a phase in period for the three preceding years. Prior to this, the Federal Government dictated the number of university places a university could offer in a particular course. The DDS is designed to meet growing workforce demand for university graduates by funding universities on the basis of student demand rather than central allocation by the Commonwealth.

⁵ See for instance Chris Bowen, *Hearts and Minds: A Blueprint for Modern Labor* (2013) 77-78: "On coming to office, Labor engaged Denise Bradley to review the university funding model with a goal of enhancing the equity of access. What followed was a major reform of which Labor can be proud and must protect and defend. The old system of governments setting the number of students each university is allowed to take has been abolished and funding has been uncapped. As a result 200,000 more university places have been created. This increase in the number of university places has been accompanied by a large increase in the number of 'first in family' attendees at university." See also Christopher Pyne, "Spreading Opportunity and Staying Competitive", Address to the National Press Club 6 August 2014. Pyne described it as a "landmark reform".

4. Any potential economic downturn means that the higher education system needs to be more flexible to respond to increasing demand.
5. The system does not adversely affect quality.

The DDS has already enabled over 190,000 additional students to receive a university education.⁶ Under a capped system, these students would have been denied this opportunity, and Australia would be further behind in its efforts to meet workforce shortages and boost national productivity.

The early evidence demonstrates that the DDS is:

- Increasing participation in higher education, with the number of domestic bachelor Commonwealth-supported places (CSP) (EFTSL⁷) increasing by approximately 23 per cent from 2009⁸ to 2013 (from 469,000 to 577,000) – an increase of approximately 108,000 CSP (EFTSL).⁹
- Improving access to higher education and serving to remove some of the barriers to entry for individuals from the lower socioeconomic (SES) and regional quartiles, assisted by supportive initiatives across the sector. To illustrate, from 2008 to 2012, there was a 41 per cent increase in commencing regional students. Similarly, from 2008 to 2012, there was a 31 per cent increase in commencing students from low SES backgrounds.
- Driving competition, diversity, innovation and efficiency in the sector,¹⁰ forcing universities to make the students the focus of their offering as institutions compete to attract and retain students. This leads to greater diversity and a better allocation of resources as students choose universities on the basis of their strengths, and universities are driven to invest in their strengths and adjust or jettison weaker offerings. Maintaining the system is key to further driving efficiencies, and propelling universities to design and deliver courses that are locally responsive and tailored to both student and market needs.
- Increasing institutions' focus on learning and teaching performance, in order to enhance the quality of education provided and build their respective reputations in the sector in order to remain competitive.

ACU's experience under the DDS

Prior to the introduction of the DDS, ACU was a relatively small institution in the higher education sector, with a cohort of just over 17,000 students. As a result of the DDS, ACU has grown to over 30,000 students and is now the largest Catholic University in the English Speaking world. ACU's major growth has been in its areas of traditional strength: Health and Education. This suggests a student market that is responsive to relative institutional strengths, and workforce needs given ongoing demand for workers in the health and education sectors. This experience is born out across the university sector where institutions have experienced growth in their areas of strength.

With respect to the expected enrolment growth trajectory, ACU's experience indicates that enrolment growth under the DDS across the sector is slowing and will not be infinite; particularly as there is a limited pool of students who both wish to pursue, and are suited to, undertake higher education.¹¹

⁶ Australian Government Department of Education figures.

⁷ Equivalent full-time student load (EFTSL).

⁸ The demand driven funding system for Commonwealth supported undergraduate places commenced in 2012, with a phase in period for the three preceding years.

⁹ Data sourced by Australian Catholic University (ACU) from the Australian Government Department of Industry, 'uCube' – Higher Education Statistics.

¹⁰ See ACU submission to the Review of the Demand Driven Funding System for some illustrative examples of universities which have adopted strategies to operate more competitively, efficiently and innovatively under the demand driven system - see pages 19-21 at <https://submissions.deewr.gov.au/Forms/demand-driven-funding-system/pages/item?SubmissionID=DFS1400080>

¹¹ Schwartz, S., 'Higher Education' in Markwell, D., Thompson, R., and Leeser, J. (ed), *State of the Nation: Aspects of Australian Public Policy* (2013), at 222.

The continuation of the DDS, with all its manifest benefits, is not something that simply can be taken for granted within the Australian Higher Education system. Its maintenance in the context of the policy environment proposed by the Bill therefore is a major point in that Bill's favour from the aspect of equity and opportunity.

Extension of the Demand Driven Funding System to Sub-bachelor Places

ACU supports the proposal outlined in the Bill to extend the DDS to sub-bachelor places.

There is great benefit in having a diverse range of pathways for students to access higher education, and this reform will assist a greater number of students to access higher education through sub-bachelor courses. Extension of the DDS to sub-bachelor courses will enhance pathways for students from low socioeconomic backgrounds, indigenous students, and students with a language other than English.

As the Explanatory Memorandum notes, the additional support provided to students through this reform will “not only improve access, but also expand opportunity and choice for students in the higher education sector.”¹² It will increase student choice and student mobility, better enabling students to study the courses at institutions that are the ‘best fit’ for them, and which provide the necessary environment and support for them to excel. Appropriately, the proposed policy reform:

- Recognises that sub-bachelor courses are “targeted at students who wish to enrol in shorter courses or who do not possess the prerequisite skills required for direct-entry to a bachelor degree”;
- Will provide an effective mechanism for students to train quickly in areas that are linked to vocational outcomes;
- Will provide a supportive pathway into higher education for less-prepared students.¹³

¹² *Higher Education and Research Reform Bill 2014 – Explanatory Memorandum* [House of Representatives - The Parliament of the Commonwealth of Australia] (2013-2014), at 11.

¹³ *Higher Education and Research Reform Bill 2014 – Explanatory Memorandum* [House of Representatives - The Parliament of the Commonwealth of Australia] (2013-2014), at 19.

Fee Deregulation

Principle

As a university whose mission, course profile and student population are such that it is unlikely itself to derive significant direct benefit from fee deregulation, nevertheless ACU strongly supports fee deregulation in the higher education sector.

Fee deregulation allows each institution to determine the price they charge students for their courses, provided it is below the fee they charge international students.

Deregulation of university fees would provide the funding security and financial stability necessary for universities to maintain their operations and provide quality education.

There has been no funding security for universities. Both sides of politics have made cuts to universities. The Abbott Government is proposing to cut university funding as part of this package, a measure to which ACU, along with the other members of Universities Australia, is strongly opposed. The previous Rudd-Gillard governments made at least \$4.3 billion of cuts to higher education. The Howard, Hawke and Keating Governments all reduced per student funding to universities. As the Expert Panel of the Base Funding Review (reporting in 2011) identified, the level of base funding provided to universities per student has “fluctuated over time.”¹⁴ For instance, the Review identified that over a ten year period from 1994 to 2003, average base funding per student in real terms declined; in particular: after the mid-1990s, the real value of the Commonwealth contribution per student fell sharply and “while it...[had] increased since 2003, it...[remained] well below the 1994 level.”

Fee deregulation will afford universities the financial security required to deliver the quality higher education courses needed to support Australia’s future workforce, which fuels economic development. Similarly, it will allow universities to pursue a vital national research and knowledge agenda without which Australia will be increasingly vulnerable, technologically, economically and socially.

When Australian Governments are confronted with strained fiscal circumstances, universities like other publicly funded institutions often bear the brunt of government cuts. This makes university fiscal planning extremely difficult. Universities need to be allowed to set their own fees to meet the shortfalls in funding that occur from time to time. This is particularly imperative given the proposal in the Bill to cut the Commonwealth contributions to subsidise student fees across all disciplines by an average of 20 per cent.

Fee deregulation also has macroeconomic benefits. Fee deregulation will drive competition and provide universities with greater autonomy and incentive to compete on price, serving to lift overall diversity and quality across the sector as universities work to their strengths.

In a deregulated environment, universities will be compelled to innovate and operate more efficiently in order to compete on price in the market and to attract students. This will further serve to lift overall diversity and quality across the sector as universities work to their strengths.

Fee deregulation, equity and the Demand Driven System

It sometimes is naively asserted that fee deregulation is paradigmatically opposed to equity in the context of higher education. ACU understands some of the challenges and alleviations in this context, one of the latter - of which the Commonwealth Scholarships Scheme – is addressed immediately below.

However, it is appropriate to note at this point that without the independent revenue represented by fee deregulation, major threats are posed to student equity and opportunity in university education. In a context where no government is likely to fund universities to a sufficient level and universities themselves are incapable of making up the shortfall, Government policy-makers typically regard themselves as forced to make hard,

¹⁴ Lomax-Smith, J., et al, *Higher Education Base Funding Review – Final Report October 2011* (2011), at 3.

binary funding choices. Very typically, these are between such systemic goods as research, and student opportunity and equity as represented by student places.

In this way, the key measure of equity and opportunity represented by the DDS was long under threat from those who argued that Australia could not afford both world class research and world class student opportunity, and that the latter would have to give way in the form of the capping or winding back of the DDS. The only way in which to avoid such deeply regressive social proposals is to ensure that adequate funds are available to the system, and in the absence of permanent government financial commitment, fee deregulation is the only obvious option.

Safeguards

The provisions in the Bill contain safeguards to support access and equity. The Bill provides for the establishment of a Commonwealth Scholarships Scheme which will ensure that providers¹⁵ annually direct a minimum level of fee revenue to support access and equity initiatives. Providers would be required to direct 20 per cent (or as prescribed by the Commonwealth Grant Scheme Guidelines) of their additional total revenue raised through deregulated student fees and Commonwealth contributions (compared to what would have been payable under the previous arrangements), into a Commonwealth Scholarships scheme. This provision is an important safeguard and essentially compels institutions to continue to support access and equity in higher education by redirecting revenue to invest in student places and activities that support the participation in higher education of students from low socioeconomic or other disadvantaged backgrounds.

In terms of likely fee increases, ACU does not anticipate a general and massive rise in University impositions on students. In the event that there is a fear of undue price expansion, it is of the view that there are relatively simple, light touch measures which could be included in the Bill that would greatly alleviate any such risk, without compromising the objectives of fee deregulation itself.

Policy Proposal: Tuition Fees Pricing Oversight

As outlined, ACU strongly supports fee deregulation in the Higher Education sector. Fee deregulation will drive competition and provide universities with greater autonomy and incentive to compete on price, serving to lift overall diversity and quality across the sector as universities work to their strengths. Vitally, it will afford universities the financial security required to deliver the quality higher education courses needed to support Australia's future workforce, and fuel economic development.

To address any public concern that some institutions may charge excessive fees in a deregulated environment, ACU offers the following proposal.

ACU proposes that an existing body be given authority to have general oversight of tuition fees set by institutions in a deregulated Higher Education market.

Options for such a body include the Tertiary Education Quality Standards Agency (TEQSA) or the Australian Competition and Consumer Commission (ACCC) as the designated national competition regulator and consumer law champion, to promote competition and fair trading in the Higher Education market.

The primary benefits of using such a body are that it would serve to maintain public confidence in the affordability of Higher Education and support a sustained consideration of equity and access to Higher Education into the future.

The body would serve as a 'prices watchdog' operating as a safeguard with a light touch monitoring presence to ensure that institutions do not charge unreasonable or unduly excessive tuition fees. The body could conduct 'spot checks' or random audits of fees, or introduce other measures to support its functions which could moderate institutional fee levels. It is not uncommon for deregulated market environments to have a prices watchdog in operation, nor is it counter to the concept of 'deregulation' as has been suggested by some critics.

¹⁵ The Bill proposes that providers with an equivalent student load of at least 500 or more full-time domestic students will be required to participate in the Commonwealth Scholarships Scheme.

For instance, the Australian Energy Regulator, an arm of the Australian Competition and Consumer Commission, operates as a watchdog of the Australian energy sector.¹⁶

International experience suggests that it may be prudent to equip a body with powers of oversight, albeit merely as a safeguard or ‘deterrent presence’, to keep a general watch on prices in the market and deter any institutions that may be tempted to charge excessive tuition fees. It would serve to counteract and avoid the potential pitfalls of deregulation experienced by the New Zealand Government in the 1990s, when it moved to allow higher education institutions to set their own fees. New Zealand’s experience saw tuition fees at some institutions jump sharply and to excess in some courses, before the government stepped in to introduce price caps having regard to affordability and future price certainty considerations. Equipping a body with oversight of institutional course prices would avoid a similar occurrence in Australia and, even if only serving as a general watchdog, would provide a notional equity safeguard.

Matters could be brought to the attention of the body, parents, students and other consumers of Higher Education, if they had any particular concerns they have around course prices at particular institutions.

While universities would not have to justify every price rise, they would need to make a defensible justification for the price charged in the event that the institution was audited.

The body could be given the power to disallow or overrule an increase - or possibly recommend such action to the Minister - on the grounds that the increases were manifestly unreasonable having regard to a set of relevant criteria.

A body having oversight of Higher Education tuition fees would serve to alleviate any concerns around equity and access to Higher Education more broadly across all universities.

¹⁶ For instance see Australian Energy Regulator at <http://www.aer.gov.au/about-us>; Serviceworks Management, ‘Energy markets – Australia’, at <http://www.serviceworksmanagement.com/au/markets/energy/>

Funding of Non-University Higher Education Providers (NUHEPs)

ACU strongly opposes the proposal to extend public funding to NUHEPs. The Bill proposes to:

- Extend the demand driven funding system and Commonwealth funding to non-university higher education providers (NUHEPs), which includes private providers that operate on a for-profit basis.
- Fund NUHEPs at a rate that is 30 per cent less than what universities receive (i.e. NUHEPs would receive 70 per cent of the funding rate that universities receive).
- Establish a Commonwealth Scholarships Scheme where only providers with an equivalent student load of at least 500 or more full-time domestic students will be required to participate in the Scheme.

ACU strongly opposes extending funding to NUHEPs.

- In a strained fiscal environment the government should not be making already successful profit making ventures dependent on government funding.
- NUHEPs have distinctly different objectives: they operate primarily to make profit. Public universities are fundamentally concerned with teaching and learning, quality education, and scholarship.
- It will have an adverse impact on regional universities and flow-on effects on workforce capacity in critical areas of need across the nation.
- There is potential adverse impact on the quality and international reputation of Australia's higher education system. TEQSA¹⁷, the sector's quality and standards regulator, has already had resources cut and will be overburdened (if not so already) in assuring the sustained quality and timely regulation of an expanding list of providers.
- The substantial costs and important obligations that universities must meet as public institutions require that universities receive a larger share of funding.

In the event that the Senate decides to provide funding to NUHEPs, any Commonwealth funding provided to NUHEPs should be at least 60 per cent lower than university funding, to account for the significant financial costs to universities in their ordinary operations (see below).

If Commonwealth funding is extended to NUHEPs, then they should be required to participate in the Commonwealth Scholarships Scheme. The provisions in the Bill should be amended to remove the minimum institutional student load requirement¹⁸ for participation in the Scheme, and to provide that all providers in receipt of Commonwealth funding through the extension of the DDS be required to invest a proportion of their additional revenue, or 'profits' in the case of private providers, in initiatives that support equity and access objectives.

It should also be noted that further savings could be made by delaying the extension of the DDS to NUHEPs.

Rationale for ACU's Public Policy Position

Extending funding to profitable institutions in a constrained fiscal environment

ACU strongly opposes the proposal to extend public funding to private providers. In a strained fiscal environment it may not be the use of public money to fund institutions which are already operating profitably and efficiently in the market.

Many NUHEPs have distinctly different mandates to public universities. They operate on different drivers with a primary underpinning objective to make profit. Public universities operate on a not-for-profit basis. They are fundamentally concerned with teaching and learning, scholarship and quality education.

Impact on Regional Universities and Critical Areas of Workforce Need

¹⁷ Tertiary Education Quality and Standards Agency (TEQSA).

¹⁸ The Bill proposes that only providers with an equivalent student load of at least 500 or more full-time domestic students will be required to participate in the Scheme, which would exclude many private providers but effectively require that all universities participate.

Affording NUHEPs access to public funding could decimate regional universities – and indeed many non-regional Universities closely engaged with lower-opportunity students - by affecting their ability to cross subsidise courses in areas of local and national importance.

Experience shows that NUHEPs typically take on the high demand low cost courses. This would be in direct competition with regional and other universities, who often utilise income from high demand low cost courses to cross-subsidise low demand and/or high cost courses in critical areas of need in the community. Many NUHEPs are not required or similarly compelled to deliver course offerings to meet community need, especially where they are unprofitable. Where regional universities are unable to compete on price, particularly where private providers use business tactics such as temporary undercutting to drive them out of the market, it will adversely affect their ability to cross-subsidise critical courses. This will have flow on implications for workforce capacity in vital areas of need across the nation.

Moreover, in the face of such realities, Universities will be forced to abandon non-paying or expensive activities in an attempt to meet NUHEPs on price. Narrow competition theorists doubtless will applaud this. But the activities so abandoned most typically will be in the expensive area of research and the non-remunerative area of community service. In this way, major universities providing critical public goods quickly will decline as research engines, and will withdraw from vital activities contributing to their own region and community. As they increasingly abandon research, they effectively will cease to operate as true universities, and as they withdraw from their communities, those communities will suffer. This effect will be particularly problematic in the case of universities located in regions or in areas of significant disadvantage.

Quality, Standards and the International Reputation of Australia's Higher Education System

Extending public money to private providers could have an adverse impact on the quality and, in the medium to long-term, the international standing of Australia's higher education system.

Experience suggests that private providers will cut corners where they can. While there are a select number of established private providers in the market that have built good reputations, there are also many that have not. TEQSA, the sector's quality and standards regulator, has already had its resources cut and under current provisions will be overburdened (if it is not so already) in assuring the sustained quality and timely regulation of an expanded list of providers. In reality, without substantial additional funding it will be very difficult for TEQSA with its limited resources to regularly assess quality and monitor standards across an expanded range and number of providers; particularly as private providers do not have the same level of rigorous internal quality assurance mechanisms in place as at universities. The situation will be acute if there is a proliferation of NUHEPs that seek to enter the market to access the public funding on offer.

The extension of public funding to private providers will significantly blur the distinction between private and public providers in the student market. The relative levels of accountability to government and quality assurance standards would be less clear to students and for external quality assessment purposes.

Differential Funding

In the event that the DDS is extended to make public money available to NUHEPs, ACU strongly advocates for differential funding of university and non-university providers at a rate greater than the 30 per cent differential proposed in the Bill. Any Commonwealth funding provided to NUHEPs should be 60 per cent lower than university funding to account for the significantly different functions and costs to universities bear in their ordinary operations. Differential funding is necessary to account for the fact that universities:

- Must subsidise research which includes substantial indirect costs.
- Have a special mandate and are expected to provide a more extensive suite of services than private providers. This includes full student support and advocacy services, and provision of equal access to all students. A requirement for the 'Australian University' category under the Higher Education Standards Framework (Threshold Standards) 2011 and TEQSA is that a university must "offer an extensive range of student services, including student academic and learning support, and extensive resources for student learning in all disciplines offered" and "demonstrate engagement with its local and regional communities and demonstrates a commitment to social responsibility in its activities."

- Often deliver programs and training which are considered to be nationally or locally important even where they might be highly expensive or unpopular to deliver.
- Must meet community service and community engagement obligations as public institutions.
- Are required to incur significant administrative burden and costs to meet numerous governance and regulatory requirements, and high quality assurance standards, in order to maintain their ordinary operations and university status.

These factors identify the strong justification for NUHEPs to be funded at a rate that is 60 per cent less than universities, rather than the 30 per cent funding differential proposed under the Government's Bill.

A 60 per cent funding differential can be justified on the basis alone that, historically, university academics have been allocated workloads and remuneration on a 40-40-20 basis: that is, 40 per cent teaching, 40 per cent research, 20 per cent administration and community service obligations. While a significant number of universities now are able to allocate resources and workload more flexibly, and not every academic has such a "standard" workload, it would remain broadly fair to say that the 40-40-20 split in terms of a University's aggregate institutional activities remains a reasonable proxy for resource allocation. As NUHEPs: overwhelmingly do not research; do not have particular community service obligations; and have relatively minimal governance and regulatory burdens to meet, a 60 per cent differential is reasonable [i.e. Less 40 per cent (research) + 20 per cent (community service and administration/regulation) = 60 per cent differential].

ACU considers that any Government savings required could be made by delaying the extension of the demand driven funding system to NUHEPs.

Participation in Commonwealth Scholarships Scheme

The Bill proposes to establish a Commonwealth Scholarships Scheme, designed to provide opportunities for disadvantaged students and supports access and equity initiatives in higher education. Under the provisions in the Bill, only certain providers would be required to direct a percentage of their additional total revenue into the Scheme. Specifically, only providers with an equivalent student load of at least 500 or more full-time domestic students would be required to participate, which would exclude many private providers but effectively require that all universities participate. If NUHEPs are in receipt of public money, then they should also be required to annually direct a minimum level of additional revenue, or 'profits' in the case of private providers, to support access and equity initiatives including the Commonwealth Scholarship Scheme.

Commonwealth Funding of Disciplines

ACU supports the position of Universities Australia that funding cuts are undesirable and place further and significant cost burdens on universities in seeking to deliver quality higher education.

In the event that funding cuts must occur, ACU strongly supports the differential level funding of courses (or quantification of cuts) by discipline as proposed by the Government (Figure 1). Differential funding takes into account the cost of delivering the course and the capacity for the student to repay based on the difference in salaries earned in different disciplines.

The Bill proposes an overall 20 per cent reduction to the Commonwealth contribution to subsidise student fees across all discipline funding tiers, under the Commonwealth Grants Scheme, from 1 January 2016.

Figure 1. Funding rates for bachelor and higher level degrees at universities from 1 January 2016 compared with selective 2014 contributions relevant to ACU

Discipline(s) within funding tier	2016 Proposed C'th contribution	2014 Current C'th Contribution	% change
Law, Accounting, Administration, Economics, Commerce	\$1,805	\$1,990	
Humanities, Social Studies, Communications (excluding Audio-Visual)	\$6,021	\$5,530	
Computing, Behavioural Science, Welfare Studies, Education, Visual And Performing Arts, Built Environment, Other Health	\$9,033	Education only \$10,178	Education -12%
Mathematics, Clinical Psychology, Allied Health, Nursing, Engineering, Science, Surveying, Environmental Studies, Foreign Languages	\$12,045	Nursing \$13,432 Allied Health \$12,031	Nursing -11%
Dentistry, Medicine, Veterinary Science, Agriculture	\$18,067	\$21,707	

ACU Public Policy Position

Some institutions may seek a flat 20 per cent reduction to the Commonwealth contribution to student fees in all tiers. ACU strongly opposes a flat 20 percent funding cut to all courses. Such an arrangement would be a major disadvantage to any student undertaking teaching and nursing, where the cost of course provision is relatively low and – critically – future earnings in professions of immense social value are relatively modest. It would in addition directly disadvantage universities, such as ACU, that have in accordance with the policies of successive governments specialised in specific disciplines and do not have the capacity to cross-subsidise their courses in the way that less specialised universities do.

ACU naturally would strongly oppose any move to cut Commonwealth funding of disciplines without a concurrent commitment to allow universities to set their own fees (fee deregulation), as universities would otherwise be unable to meet the funding shortfall. This would be to the detriment of higher education in Australia, and more broadly, it would adversely affect the production of graduates to meet the skills needs of the Australian workforce and economy.

ACU is one of the largest producers of nursing and teaching graduates in Australia, and this would have more far reaching impact on the national workforce in these significant priority areas. For instance, it would more than double the impact of the Government's funding cuts to ACU and leave ACU with no ability to cross-subsidise and little ability to recoup the cuts through fees. Finally, ACU notes that in the event that NUHEPs did not immediately receive Commonwealth funding this could result in a smaller cut to university funding reducing the overall funding cut but the order of six percent.

Higher Education Participation Programmes

The Bill makes provision to streamline the Higher Education Participation Programme (HEPP) requirements, and establish three funding programmes to support the Government's objectives to increase access and participation in higher education by students from disadvantaged backgrounds. The eligibility criteria for institutions to access funding under two of these programmes, however, is highly ambiguous.

ACU believes that the eligibility criteria for the proposed Higher Education Participation (Access and Participation) Programme (HEPAPP) and the Higher Education Participation (Scholarships Fund) Programme (Scholarships Fund), as provided for in the Bill, require clarification. ACU particularly:

- Opposes any minimum quotas or arbitrary threshold requirements being set with respect to low SES student enrolments as a condition of eligibility for the HEPAPP and Scholarships Fund programmes, as this would have an impact that is contrary to the Government's objectives to increase access and participation in higher education by students from disadvantaged backgrounds.
- Calls for clarification and greater funding certainty for providers with respect to the administration of the HEPAPP and the Scholarships Fund programmes.

Provisions relating to the proposed HEPAPP and Scholarships Fund programmes provide that it is an "extra condition of eligibility" for these grants that a provider "have a proportion of students from a low socio-economic background."¹⁹

Further provisions stipulate that in approving a grant, and also in determining the amount of a grant, under these two programmes "the Minister may take account of factors such as a provider's proportion of students from a low socio-economic background." In determining the amount of a grant, the Minister may also take into account these students' "success in completing units."

It is unclear how these criteria will be evaluated.

ACU is opposed to any minimum quotas or arbitrary threshold requirements being set with respect to low SES student enrolments as a condition of eligibility for these grants.

As a matter of principle, the funding should follow the student. Higher education institutions that support low SES students should be eligible to access funding under the proposed streamlined HEPP scheme to support their students, without needing to meet minimum low SES enrolment quotas.

ACU particularly notes its concern about the proposal put forward by the Regional Universities Network (RUN) in this vein which seeks to impose arbitrary minimum threshold requirements for funding eligibility (see Figure 2).²⁰ This would adversely impact on low SES students as institutions that fall outside the threshold would not have access to funding to provide vital student support. Further, the real impact of requiring minimum low SES proportions for funding eligibility is that proportions do not necessarily correlate with actual low SES student numbers. Under the RUN's proposal, as extracted at Figure 2, a number of institutions that fall below the proposed 15 per cent minimum low SES threshold actually have a larger number of low SES students than some of the institutions that meet the proposed threshold; yet these institutions would not be eligible for vital HEPP funding under the RUN's minimum threshold proposal. For example, based on the RUN's 2013 figures, The University of Queensland University of Technology with 3,390 low SES students (11.3 per cent low SES share) would be ineligible for HEPP funding under the proposals, whereas Charles Darwin University with 1,077 low SES students (18.1 per cent share) would be eligible for funding.

Setting minimum threshold requirements for funding eligibility would have an impact contrary to the Government's objectives to increase access and participation in higher education by students from disadvantaged backgrounds, as institutions that fall outside the set minimum threshold would have little incentive to continue to enrol these students. Meanwhile, those that continue to do so would likely be under-resourced to provide the necessary support to these students. It would effectively penalise (already

¹⁹ *Higher Education and Research Reform Bill 2014*, Schedule 9A.

²⁰ See Regional Universities Network (RUN) submission to the previous Senate Inquiry into the *Higher Education and Research Reform Amendment Bill 2014*, at 10-11.

disadvantaged) low SES students who choose to study at institutions that do not meet the requisite low SES proportions, and are therefore unable to secure HEPP funding. This would have far reaching and concerning implications for student equity and outcomes across the sector.

Figure 2. Excerpt from Regional Universities Network (RUN) submission to the Senate Inquiry into the Higher Education and Research Reform Amendment Bill 2014 which proposes introducing a minimum threshold for eligibility for HEPP funding, whereby only universities with 15 per cent or more share of low SES students could access funding. Only 19 universities would be eligible for funding under this proposal, to the detriment of low SES students at other universities.

Provider	Low SES (SA1 measure)	All Domestic Undergraduate Students	Share low SES SA1 measure
Central Queensland University	3,715	10,470	35.5%
University of Southern Queensland	4,456	14,734	30.2%
Southern Cross University	2,510	9,490	26.4%
James Cook University	3,044	11,978	25.4%
University of Tasmania	4,266	16,914	25.2%
University of New England	3,201	12,961	24.7%
University of Newcastle	5,058	20,844	24.3%
University of Western Sydney	7,815	32,207	24.3%
Charles Sturt University	5,633	23,380	24.1%
University of Ballarat	1,196	4,994	23.9%
University of South Australia	4,376	19,214	22.8%
Victoria University	3,335	15,028	22.2%
Flinders University of South Australia	2,390	12,518	19.1%
University of the Sunshine Coast	1,365	7,539	18.1%
Charles Darwin University(i)	1,077	5,958	18.1%
University of Wollongong	2,538	14,092	18.0%
Murdoch University	1,965	11,058	17.8%
La Trobe University	3,690	21,284	17.3%
Griffith University	4,162	26,982	15.4%
Swinburne University of Technology	2,788	18,693	14.9%
Edith Cowan University	2,430	16,340	14.9%
RMIT University	3,162	23,042	13.7%
The University of Adelaide	1,974	14,873	13.3%
Curtin University of Technology	3,166	24,458	12.9%
Deakin University	3,574	28,177	12.7%
Australian Catholic University	2,166	17,550	12.3%
Queensland University of Technology	3,390	29,872	11.3%
University of Technology, Sydney	2,097	19,126	11.0%
Monash University	3,222	30,429	10.6%
The University of Queensland	3,000	29,011	10.3%
University of New South Wales	2,404	25,483	9.4%
Bond University	216	2,573	8.4%
The University of Melbourne	1,460	17,747	8.2%
Macquarie University	1,737	21,270	8.2%
The University of Sydney	2,037	26,999	7.5%
University of Canberra	713	9,810	7.3%
The University of Notre Dame Australia	621	8,596	7.2%
The University of Western Australia	990	16,308	6.1%
The Australian National University	273	7,832	3.5%
	113,105	717,683	15.8%

Table 2 Low SES student data (2013)

The Bill further contains vague provisions such as “It is expected that these factors [i.e. eligibility criteria] will be published on the Department’s website”. Such provisions leave institutions facing significant funding uncertainty and unable to effectively forward plan for 2016 and beyond without confirmation of vital funding amounts needed to support the continuing and new cohort of students.

Indexation of Student HELP Debts

ACU supports the provisions in the Bill to retain the Consumer Price Index (CPI) as the indexation rate of HELP debts. ACU also supports the Bill's proposal to introduce indexation relief arrangements for primary carers of children under five years of age, whereby the HELP debts of these primary carers will not be indexed under existing arrangements while they are earning under the minimum repayment threshold.

The Government's previous proposal to change the indexation rate of HELP debts from the CPI to the Treasury 10 year bond rate, up to a maximum of six per cent per annum, posed regressive outcomes by causing students' debt burden to grow significantly faster and higher than incomes, particularly for lower income earners. It also risked producing unintended consequences, namely of deterring students, particularly those from low socio-economic backgrounds or those interested in lower income careers such as nursing and teaching, from undertaking higher education. As a university with one of the highest female to male student ratios, and one of the largest producers of nursing and teaching graduates in the country, this would have been particularly disadvantageous for ACU students; with wider implications for workforce replenishment in these critical areas.

ACU strongly endorses the proposal to retain the Consumer Price Index (CPI) as the indexation rate of HELP debts, as proposed in the Bill.

Support the Repeal of the Requirement for a Mission-based Compact for Universities

ACU supports the Government's proposal to repeal the requirement for a mission based compact for universities.

The Bill proposes to repeal the requirement that Table A providers and Table B providers must enter into mission based compacts with the Commonwealth, in which providers must provide specific information (e.g. a statement of the provider's mission and strategies for undertaking research) in order to receive a grant, as it is unnecessary regulation.

ACU agrees with the Government's view that the requirement for universities to enter into mission based compacts with the Commonwealth is unnecessary regulation.

ACU's experience with the requirements around mission based compacts would not support their continuation. In past compacts, the targets set did not take into consideration the University's context (for instance, low SES student participation rates in a period of sector expansion). Furthermore, there has been a lack of follow-up with respect to achievement or non-achievement of targets. Overall, ACU considers that the requirement for a mission based compact has been a very time consuming exercise, with little value to the sector.

Appendix A - Australian Catholic University (ACU) Profile

Australian Catholic University (ACU) is a publicly funded Catholic university, open to people of all faiths and of none. ACU operates as a multi-jurisdictional university with seven campuses across four states and one territory. ACU campuses are located in North Sydney (NSW), Strathfield (NSW), Canberra (ACT), Melbourne (Victoria), Ballarat (Victoria), Brisbane (QLD) and Adelaide (SA).

ACU is the largest Catholic university in the English speaking world.

Today, ACU has more than 30,000 students and over 1,800 staff.

While teaching, learning, and research at ACU is inspired by 2000 years of Catholic intellectual tradition, ACU is a diverse institution, attracting students and staff from a diverse range of faiths and backgrounds.

ACU graduates demonstrate high standards of professional excellence and are also socially responsible, highly employable and committed to active and responsive learning. ACU graduates are highly sought after by employers, with ACU graduates securing a 95 per cent employment rate which is higher than the national average.²¹

ACU has built its reputation in the areas of health and education and is a major producer of nursing and teaching graduates in Australia.

ACU educates the largest number of undergraduate nursing and teaching students in Australia,²² serving to meet significant workforce needs in these areas. Under the demand driven system, ACU has sought to focus and build on these strengths.

On 1 January 2014, ACU consolidated its previous six faculties into four:

- Faculty of Health Sciences;
- Faculty of Education and Arts;
- Faculty of Law and Business; and
- Faculty of Theology and Philosophy.

These new arrangements create a more efficient and competitive structure focused on the needs of industry and employment partners. ACU is also moving towards the adoption of a shared services model where suitable, to improve efficiencies, internal processes and better allocate resources.

ACU is committed to targeted and quality research. ACU's strategic plan focuses on areas that align with ACU's mission and reflect most of its learning and teaching: Education; Health and Wellbeing; Theology and Philosophy; and Social Justice and the Common Good. To underpin its plan for research intensification, in 2013 ACU abolished its existing research centres and groups and set about establishing new research institutes, to align with the mission of the university. The strategy has involved the appointment of high profile leaders to assume the directorships of these institutes, and to work with high calibre Institute members and Centre/Program leaders.²³

- The Mary MacKillop Institute for Health Research (Faculty of Health Sciences)
- Institute for Positive Psychology and Education (IPPE) (Faculty of Health Sciences)
- The Institute for Health and Ageing (Faculty of Health Sciences)
- Learning Sciences Institute of Australia (LSIA) (Faculty of Education and Arts)
- Institute for Social Justice (Faculty of Education and Arts)
- Institute for Religion and Critical Inquiry (Faculty of Theology and Philosophy)
- Institute for Religion, Politics and Society (IRPS) (Faculty of Theology and Philosophy)

²¹ *Graduate Destination Survey (GDS) 2012.*

²² Hobsons, *The Good Universities Guide 2015 to Universities, TAFEs and Higher Education Providers* (2014).

²³ See Australian Catholic University, 'Research Institutes', at http://www.acu.edu.au/research/research_institutes_and_programs



**SUBMISSION TO THE REVIEW OF
THE DEMAND DRIVEN FUNDING
SYSTEM**

DECEMBER 2013

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EXECUTIVE SUMMARY

In 2012, the Australian Government introduced a demand driven funding system for Commonwealth supported undergraduate places, with a phase in period for the three preceding years. A national target was set for 40 per cent of Australians aged 25-34 years to have a qualification at bachelor level or above¹ by 2025.

The demand driven system is designed to meet growing workforce demand for university graduates by funding universities on the basis of student demand for courses, rather than through central allocation and capping of places by the Commonwealth. Since its commencement, the demand driven system has enabled 190,000 additional students to receive a university education. Under a capped system, these students would have been deprived of this opportunity, and Australia would be further behind in its efforts to meet workforce shortages and boost national productivity.

This submission explores the features of the demand driven system and examines early evidence on the extent to which the system is serving to increase participation and meet the skills needs of the Australian economy. It also explores how institutions are operating and responding to changes under the system.

The early evidence is that the system is working effectively and that there remains a compelling case for its maintenance. There is a strong imperative to continue to support the demand driven system if Australia is to effectively and efficiently meet its workforce needs and secure its international competitiveness into the future.

Australian Catholic University (ACU) was a relatively small player in the higher education sector, with a cohort of just over 17,000 students. As a result of the demand driven system ACU has grown to over 26,000 students and is the largest English Speaking Catholic University in the world. ACU's major growth has been in its areas of traditional strength: health and education. This suggests a student market that is responsive to relative institutional strengths, and workforce needs given ongoing demand for workers in the health and education sectors. This experience is born out across the sector.

Across the higher education sector, the preliminary evidence indicates that the demand driven system is:

Increasing participation in higher education, with the number of domestic bachelor Commonwealth-supported places (CSP) (EFTSL) increasing by approximately 23 per cent from 2009 to 2013 (from 469,000 to 577,000) – an increase of approximately 108,000 CSP (EFTSL).²

Improving access to higher education and serving to remove some of the barriers to entry for individuals from the lower socioeconomic (SES) and regional quartiles, assisted by supportive initiatives across the sector. From 2008 to 2012, there was a 41 per cent increase in commencing regional students. Similarly, from 2008 to 2012, there was a 31 per cent increase in commencing students from low SES backgrounds.

Meeting the skills needs in the economy by producing graduates in response to workforce demand and by filling areas of workforce shortage.

Driving competition, diversity, innovation and efficiency in the sector, forcing universities to make the students the focus of their offering as institutions compete to attract and retain students. This leads to greater diversity and a better allocation of resources as students choose universities on the basis of their strengths and universities are driven to invest in their strengths and adjust or jettison weaker offerings. Maintaining the system is key to further driving efficiencies.

Increasing institutions' focus on learning and teaching performance, in order to enhance the quality of education provided and build their respective reputations in the sector in order to remain competitive. Accordingly, institutions such as Australian Catholic University (ACU) have responded to changes under the demand driven system - to support an increased student cohort and diversity within this cohort – by adapting and expanding academic and support services for students to ensure that quality teaching is maintained, and that less academically prepared students receive the additional support they may need. Measures introduced by ACU have included embedding support into teaching and learning by partnering with university faculty staff to provide tailored, discipline specific workshops, tutorials and support services; and using technology to provide online support and learning tools with flexible 24/7 access - extending support to more students to enable them to succeed in their studies.

¹ Bradley, D., et al ('Bradley Review'), *Review of Australian Higher Education: Final Report* (2008).

² Data sourced by ACU from the Australian Government of Department of Industry, 'uCube' – Higher Education Statistics.

1. THE EFFECTIVENESS OF THE IMPLEMENTATION OF THE DEMAND DRIVEN SYSTEM, INCLUDING POLICIES REGARDING THE ALLOCATION OF SUB-BACHELOR AND POSTGRADUATE PLACES

Background to the demand driven system

In 2008, the *Review of Australian Higher Education* ('Bradley Review') recommended the introduction of a demand driven funding system for Commonwealth supported undergraduate places. The idea of introducing such a system had been canvassed and debated for some time. The system was first raised in the *Fightback!* package in 1992. *Fightback!* proposed:

Freedom for institutions, academics and students requires a decisive move away from a centrally administered system to one based on a greatly strengthened student market, in which students can choose their university according to their own judgements and institutions have the flexibility to respond to these choices ... Institutions will be free to offer places as they chose in any course with limited exceptions.³

In October 1999 the then Minister, David Kemp, brought a submission to Cabinet on university reform which suggested:

...a demand driven system characterised by fee and admissions deregulation, improved quality assurance arrangements, a universal public subsidy for undergraduate students in a broad range of accredited institutions, and a loans scheme to finance the costs of tuition ... Most importantly, the package delivers a universal entitlement to higher education for all who can meet entry qualifications. Students will have greater choice about where they study, subject only to meeting admissions criteria, and the range of courses available will be wider and more appropriate as institutions are freed up to respond more directly to demand for particular courses and in particular locations.⁴

The system is designed to meet growing workforce demand for university graduates by funding universities on the basis of student demand for courses, rather than central allocation by the Commonwealth department. The Gillard Government introduced the demand driven system commencing in 2012 with a phase in period for the three preceding years. A national target was set for 40 per cent of Australians aged 25-34 years to have a qualification at bachelor level or above⁵ by 2025. Meeting this target would "position Australia among other high performing OECD countries."⁶ Under the demand driven system:

- All qualified students are entitled to receive a Commonwealth subsidised higher education place at a recognised institution.
- Students have a choice as to which recognised institution to attend.
- Funding follows the student.
- Public universities are able to set the number of places they offer to students based on student demand, and the needs of employers and industry. The Government no longer specifies how many undergraduate student places it will fund public universities to provide.⁷

The demand driven system has enabled 190,000 additional students to receive a university education. Under a capped system, these students would have been deprived of this opportunity, and Australia would be further behind in its efforts to meet workforce shortages and boost national productivity.

³ Liberal and National Parties, *Fightback!* Supplementary Paper Number 4 (1992), at 47 and 49.

⁴ Kemp, D., "Leaked Cabinet Submission: Proposals for Higher Education Reform" in Senate Employment and Workplace Relations Committee, *Universities in Crisis* September 2001, Appendix 4. Available via http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_Employment_and_Workplace_Relations/Completed_inquiries/1999-02/public_uni/report/~media/wopapub/senate/committee/eet_ctte/completed_inquiries/1999_02/public_uni/report/e04_pdf.aspx

⁵ Bradley Review, at xviii.

⁶ Ibid, at 155.

⁷ Courses of study in medicine are the only exception.

Australian Catholic University (ACU) – Background and experience under the demand driven system

Australian Catholic University (ACU) is a publicly funded university, open to people of all faiths and of none. ACU operates as a multi-jurisdictional university with seven campuses across three states and one territory. ACU campuses are located in North Sydney (NSW), Strathfield (NSW), Canberra (ACT), Melbourne (Victoria), Ballarat (Victoria), Brisbane (QLD) and Adelaide (SA).⁸

ACU was formally constituted as a university in 1991 through the amalgamation of a number of Catholic colleges, across multiple jurisdictions. ACU predecessor colleges include the Catholic College of Education (NSW), Signadou College of Education (ACT), Institute of Catholic Education (VIC), and McAuley College (QLD). These institutions had their origins in the mid-1800s, when religious orders and institutes became involved in preparing teachers for Catholic schools and, later, nurses for Catholic hospitals.

Prior to the demand driven system, ACU was a relatively small player in the higher education sector, with a cohort of just over 17,000 students, comprising fewer than 12,000 undergraduate students, in 2008. Under the demand driven system, ACU has grown to establish itself as a leading higher education institution with over 26,000 students including over 19,800 undergraduate students in 2013. ACU has been the fastest growing university under the demand driven system. ACU began planning for the introduction of the demand driven system by increasing enrolments from 2008 to grow progressively and secure its desired student cohort under the system. Today, ACU is the largest English speaking Catholic university in the world.

While almost all of ACU's offerings have grown the most significant and rapid growth has been in ACU's core areas of strength – Health and Education – in response to market demand and reflective of the quality and strength of these courses. While ACU students come from a variety educational backgrounds a significant proportion of our students come from Catholic schools. Similarly while ACU prepares students to work in the public and private school and hospital system ACU's established relationships with Catholic health and education sector employers and the strong employment prospects associated with studying at ACU make it an attractive destination for students. To some extent ACU serves as a link in the Catholic workforce supply chain by producing quality graduates to meet the workforce needs of the Catholic health and education sectors. It is the integration with prospective students and employers, the commitment to mission, the quality of ACU's courses, and previously unmet demand for teaching and nursing places which explains ACU's growth under the demand driven system.

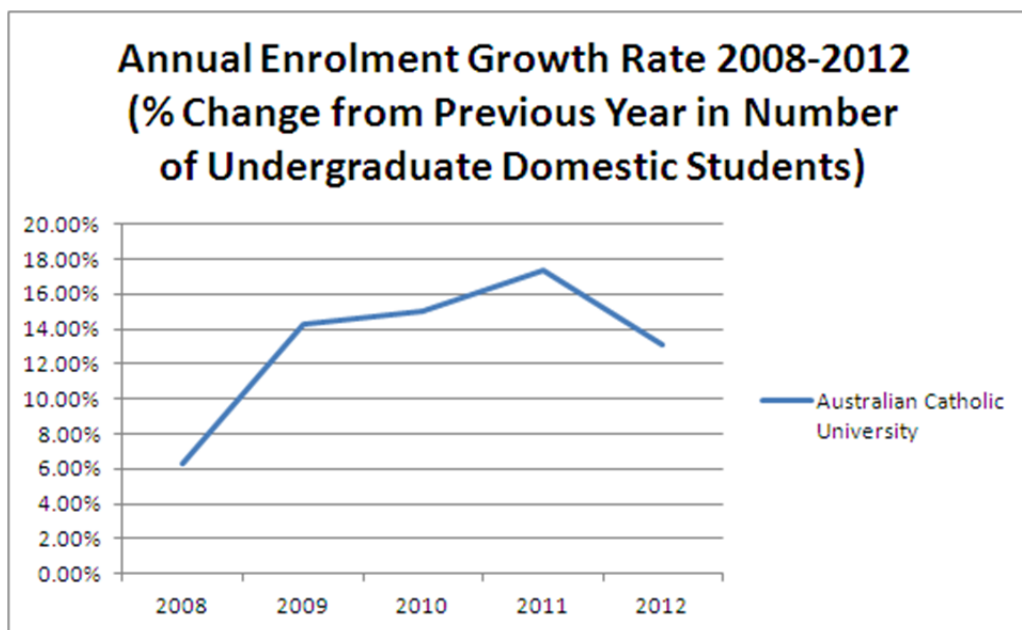
ACU has experienced two periods of rapid growth correlating with the phase-in period of the demand driven system and in anticipation of its full implementation, namely, from 2008-2009 and from 2010-2011; with the rate of growth slowing in 2011. ACU's experience indicates that enrolment growth under the demand driven system, across the sector, is slowing as Australia nears the 40 per cent target mandated by the Bradley Review. As there is a limited pool of students who both wish to pursue, and are suited to, undertake higher education; growth will not be infinite.⁹

ACU's enrolment growth rate from 2008-2012 is charted at Figure 1.

⁸ Australian Catholic University, 'ACU expands to Adelaide' (29 October 2013), at http://www.acu.edu.au/connect_with_acu/newsroom/news/media_releases/repository/acu_expands_to_adelaide

⁹ Schwartz, S., 'Higher Education' in Markwell, D., Thompson, R., and Leeser, J. (ed), *State of the Nation: Aspects of Australian Public Policy* (2013), at 222.

Figure 1¹⁰



The developments at ACU reflect the type of growth foreseen by the Bradley Review under a demand driven system:

...a demand-driven system could see a shift of students and funding toward those institutions that wish to grow and that can attract increased numbers of students. This is precisely what is intended: to allow funding to shift between institutions in response to student demand and to create a system in which each institution's funding is determined dynamically by the quality of its performance rather than by an historically-based system of centrally planned student load allocations.¹¹

ACU has built its reputation in the areas of health and education and is a major producer of nursing and teaching graduates in Australia. ACU enrolls the largest number of undergraduate nursing students in Australia, and the second largest number of undergraduate teaching students in Australia,¹² serving to meet significant workforce needs in these areas. Under the demand driven system, ACU has sought to focus and build on these strengths. The total number of students (headcount) enrolled in ACU's Faculty of Education has increased from over 6,100 students in 2008 to nearly 9,000 students in 2013; while the number of students enrolled in ACU's Faculty of Health Sciences has increased from over 5,000 students to over 9,100 students in 2013.

With respect to undergraduate Commonwealth-supported bachelor students in particular in the context of the demand driven system, the greatest enrolment growth has been within ACU's faculties of Education and Health Sciences – with ACU securing a 172 per cent increase in the number of students in the Faculty of Health Sciences and a 72 per cent increase in the number of students in the Faculty of Education from 2008 to 2013. Comparatively, growth in other faculties has been less strong with a 37 per cent increase in the number of undergraduate Commonwealth-supported bachelor students in the Faculty of Business from 2009¹³ to 2013, and only a 7 per cent¹⁴ increase experienced in the Faculty of Arts & Sciences from 2008 to 2013. This suggests a student market that is responsive to relative institutional strengths, and workforce needs given ongoing demand for workers in the health and education sectors. To more closely respond to the workforce needs of the health sector, ACU has also sought to expand its Health course offerings with the introduction of courses in occupational health, speech pathology, and applied public health; with the latter two courses newly offered in 2013.

As the demand driven system drives greater competition for student places and greater institutional specialisation, ACU has streamlined and consolidated its existing six faculties into four: Faculty of Health Sciences; Faculty of

¹⁰ Data sourced from Australian Government of Department of Industry, 'uCube' – Higher Education Statistics.

¹¹ Bradley Review, at 156.

¹² Hobsons, *The Good Universities Guide 2014 to Universities, TAFEs and Higher Education Providers* (2013).

¹³ The Australian Catholic University Faculty of Business was established in 2009.

¹⁴ Post-2008, business and theology students previously within the Faculty of Arts and Sciences moved into the new ACU faculties of Business, and Theology & Philosophy, which clarifies this data. From 2009 to 2013 the number of undergraduate Commonwealth-supported bachelor students in the Faculty of Arts & Sciences increased by 51 per cent.

Education and Arts; Faculty of Law and Business; and Faculty of Theology and Philosophy. This restructure involves realigning ACU's academic structures around key areas of strength for the University. These new arrangements will create a more efficient and competitive structure focused on the needs of industry and employment partners. It will also strengthen the quality of ACU's offerings and interdisciplinary work, while aligning learning, teaching and research outcomes.

As a result of the demand driven system ACU is also moving towards the adoption of a shared services model, where suitable, to improve efficiencies and internal processes and to better allocate resources.

Allocation of Sub-bachelor and Postgraduate Places

ACU supports the extension of the demand driven system to sub-bachelor places. ACU considers that there is benefit in having a diverse range of pathways for students to access higher education. With respect to sub-bachelor programs generally, ACU considers that there are two inherent issues that should be addressed. Firstly, adequate associated funding for student support is required to ensure that students achieve academic success. Secondly, greater focus is required on the proper structuring of TAFE and VET programs at the sub-Bachelor level where students can exit with certification. This will enhance pathways for lower SES students, indigenous students and students with a language other than English.

With respect to postgraduate places, ACU recognises that it is important to produce graduates who are able to meet industry requirements and ensure workers have adequate skills where specific areas of specialisation are required. However, the Commonwealth should resist enlarging postgraduate places to the extent that it risks exposure to bearing undue additional costs, particularly in circumstances where professional bodies or State Governments may engage in behaviour that creates the expectation that the Commonwealth should pay for these postgraduate places.

2. EARLY EVIDENCE ON THE DEMAND DRIVEN SYSTEM

A. Extent to which the demand driven system is increasing participation

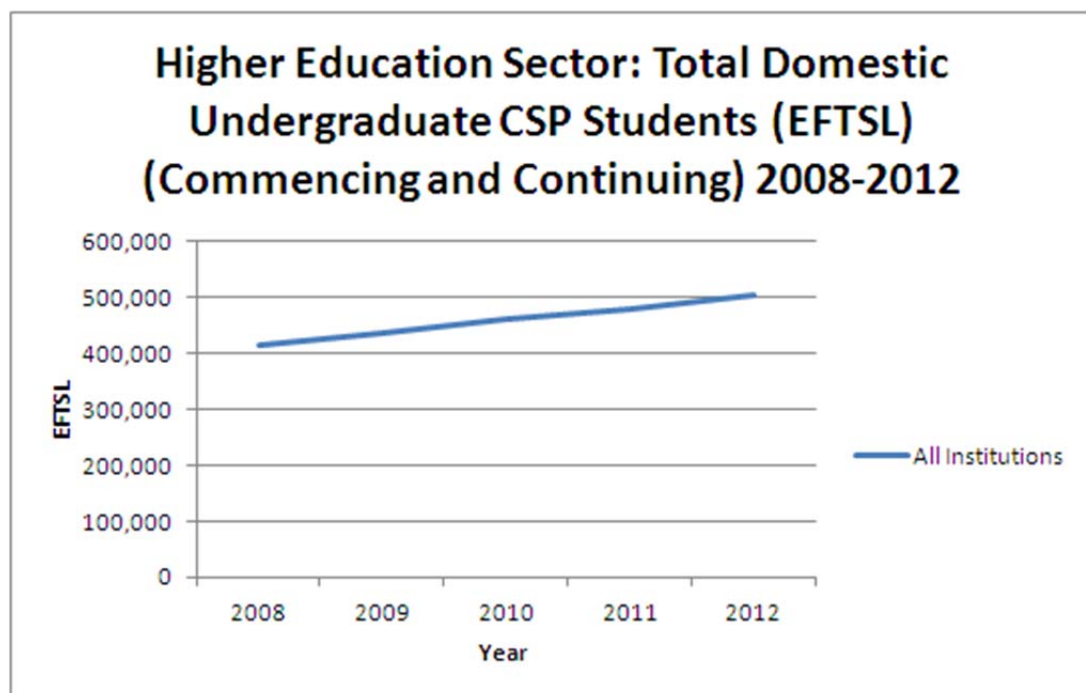
Preliminary data indicates that the demand driven system is working well to reach the Government's objectives of increasing participation in higher education. It is estimated that the number of domestic bachelor Commonwealth Supported Places (CSP) has increased from 469,000 in 2009 to 577,000 in 2013.

While the demand driven system was implemented in 2012, the higher education sector has, essentially, been operating in an 'uncapped' environment since 2008. This was recognised in the Bradley Review which noted that the funding system that existed from 2008 was "already substantially demand-driven for each institution," as a federal policy change in 2007 allowed higher education providers to be fully funded for enrolments up to 5 per cent over their target funding allocations.¹⁵ However, only three of the 37 public universities exceeded the 5 per cent limit in 2007.¹⁶

An examination of the increase in participation already secured in the phase-in years of the demand driven system, from 2008-2011, is apparent when compared to participation in the preceding years. From 2001 to 2008, the total number of domestic Commonwealth-supported bachelor places increased by only 6 per cent, while the phase-in period of the demand driven system from 2008 to 2012 saw an increase of 21 per cent in the total number of Commonwealth-supported bachelor places.¹⁷

Figure 2 reflects the overall increase in participation in higher education achieved from 2008-2012, and identifies the growth in total domestic undergraduate Commonwealth-supported students (equivalent full-time student load (EFTSL)) from 2008-2012.

Figure 2



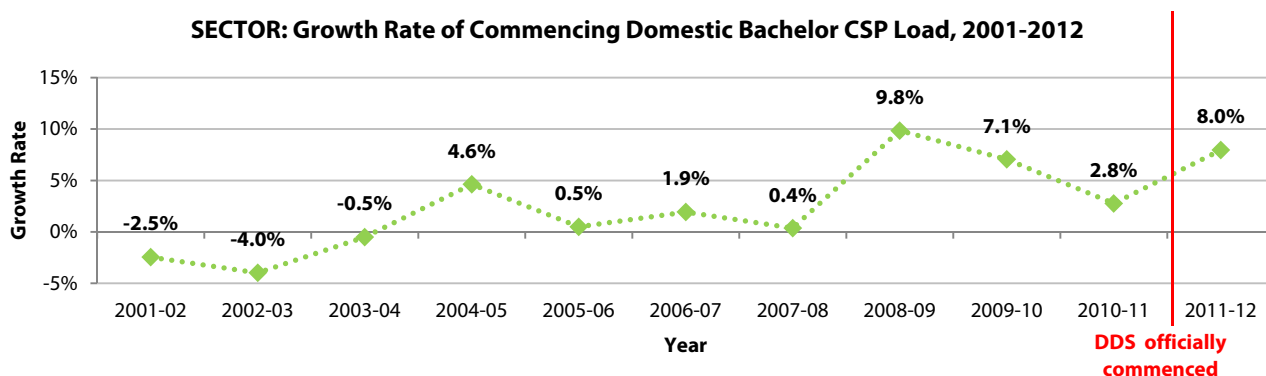
¹⁵ Bradley Review, at 156.

¹⁶ Ibid.

¹⁷ Figures include both commencing and continuing student numbers.

Figure 3 tracks the change across the sector in the growth rate of commencing domestic bachelor students (CSP Load) from 2001 to 2012. Figure 3 reflects the evident lift in participation, through increased commencing enrolments, achieved under the phase-in period of the demand driven system, when compared to the pre-phase in years (pre-2008).

Figure 3



B. Extent to which the demand driven system is improving access for students from low-SES and rural and regional communities

The Bradley Review set a target of “20 per cent of higher education enrolments at the undergraduate level will be of people from a low socioeconomic (SES) background”¹⁸ by 2020. As higher SES students have good access to higher educational opportunities the growth in higher education needs to be met by lower SES students.

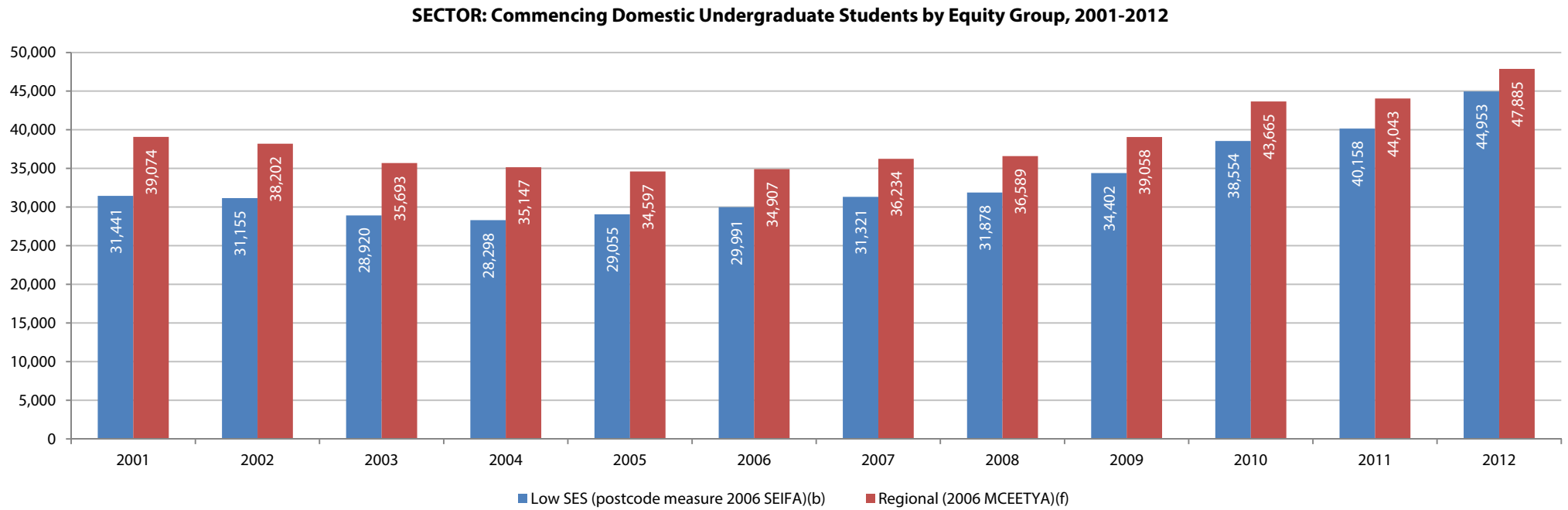
Evidence of improved Access

Across the higher education sector the preliminary evidence indicates that the demand driven system has had an impact in removing additional barriers to entry for individuals from the lower SES and regional quartiles. Figure 4 depicts the trend in growth of commencing domestic undergraduate students from low-SES backgrounds and regional students from 2001 to 2012. From 2008 to 2012, there was a 41 per cent increase in commencing regional students and a 31 per cent increase in commencing students from low SES backgrounds.

¹⁸ Bradley Review, at 45.

Figure 4

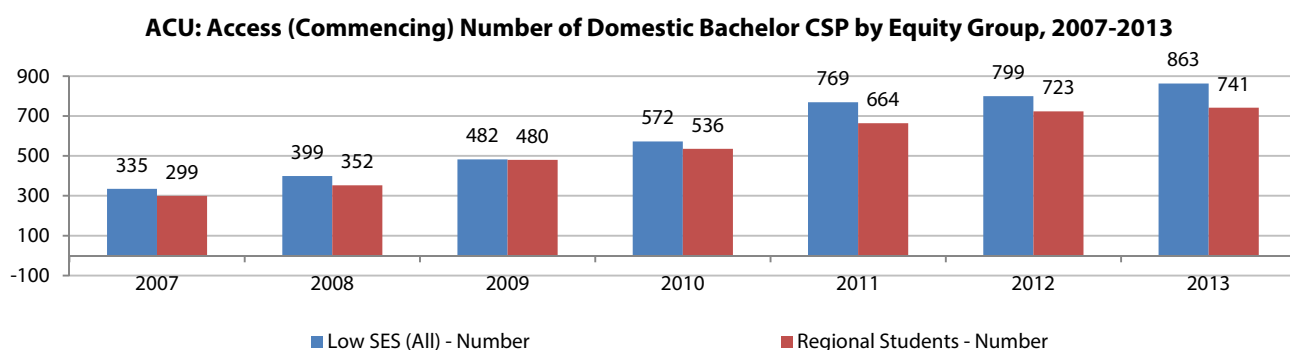
Higher Education Sector: Commencing Domestic Undergraduate Students by Equity Group: 2001-2012



Similarly, a study of patterns of enrolment growth in Victoria revealed that while offers of university places have been substantial overall, growth in the lowest three quartiles has been strong over the 2007-2011 period.¹⁹ The indication is that this was due to a near saturation of offer levels for the high SES quartile, which stood at 80 per cent. Overall, the 2007-2011 period saw an increase in the percentage of applicants from the lowest SES quartile with corresponding, and slightly larger, increases in the share of offers and enrolments.²⁰ The demand driven system has already improved access for thousands of students from low SES backgrounds as well as students from regional areas. However, barriers to entry still need to be addressed, particularly with selective professional courses still being dominated by students from wealthy backgrounds.²¹

Following the sector wide trend ACU has also experienced growth in the number of students from a low SES background. Figure 5 reflects the success of ACU's efforts to improve access to higher education for low SES and regional students under the demand driven system. Figure 5 plots the growth in the number of commencing domestic bachelor students (Commonwealth supported places – CSP) from low SES and regional backgrounds. From 2008 to 2013, the number of commencing domestic bachelor students from low SES backgrounds at ACU increased by 116 per cent (from 399 to 863 students), while the number of commencing domestic bachelor regional students increased by 111 per cent (from 352 to 741 students).

Figure 5



With respect to indigenous students, ACU attracted an increasing number of this cohort. From 2009 to 2011, there was a 16.5 per cent increase in the number of Indigenous undergraduate students enrolled at ACU. The retention of Indigenous students at ACU also increased over a four year period from 2008: from 64.57 per cent to 72.40 per cent retention.

Strategies to improve Access

The Bradley review recommended a more sophisticated approach to access focused around three precursors:

- Awareness of higher education
- Aspiration to participate
- Educational attainment.²²

In response, many universities, with Government assistance, have since implemented programs to develop and deliver the kind of outreach initiatives and support services envisaged as being necessary to improve access for students from low socio-economic backgrounds and from rural and regional communities.

ACU's programs to improve access are based around these three precursors.

ACU has developed a Pathways Strategy and established an Equity Pathways Unit to increase access to higher education for students from low socioeconomic and rural and regional communities.²³ ACU's suite of programs

¹⁹ Newnham, E., Anderson, M., and James, R., *Access to higher education in Victoria under the national demand-driven system* (December 2012), at 19.

²⁰ *Ibid.*

²¹ Harvey, A. And Luckman, M., 'Following the facts or the money?', *The Australian* (17 July 2013), at <http://www.theaustralian.com.au/higher-education/opinion/following-the-facts-or-the-money/story-e6frgcko-1226680344267>

²² Bradley Review, at 40.

²³ Australian Catholic University, 'Equity Pathways – Widening Participation', at www.acu.edu.au/equitypathways

called *ACUgate* involves collaboration with partner schools and communities. *ACUgate* programs fall into three categories:

- **Awareness Programs:** which target students from Years 3-6 and aim to provide students and parent with an awareness of higher education opportunities.
- **Aspirations Programs:** which target students from Years 7-10, and aim to raise student aspiration to higher education by engaging with students, parents and teachers.
- **Access Programs:** which target students from Years 11-12, and provide students with a variety of pathways to access higher education based on academic achievement and aptitude.

These programs are dedicated to increasing student, parent and community awareness of and aspiration to higher education and making entry into higher education more accessible for students. ACU’s activity in this space has increased every year since its introduction in 2011. Figure 6 demonstrates the growth in ACU’s outreach activities to low SES students, parents, schools and their communities over the period 2011-2013.

Figure 6

Growth in ACU Outreach 2011- 2013

Year	Schools	Students	Programs Conducted	Teachers	Parents	Number of times Ambassadors or mentors are required
2011	18	1800	20	30	30	40
2012	90	6500	70	150	250	120
2013	120	9000	125	500	1300	420

ACU’s Awareness programs include:

- **Meet the Professor** where Year 5-6 students are invited to participate in a tour of their local ACU campus. They are offered the chance to meet staff and students and complete an interactive activity related to university life. ACU conducted four meet the Professor tours in 2013.
- **MyScience** which brings members of the broader scientific community (university lecturers, students, representatives from industry and neighbouring secondary school students) to support the teaching of science in primary schools. Year 4-6 students undertake a scientific investigation and communicate their findings to their school community.²⁴ ACU has conducted four My Science events in 2013.
- **Parent Forums** which engage parents through presenting at school events and parent nights. Parent Forums are also conducted on campus and inform them of university options and the pathways available for their children. ACU has conducted 13 parent forums in 2013.
- **Playing with Numbers** where ACU staff and students engage upper primary school students in fun activities that reinforce basic number concepts and that aim to foster an appreciation of the value of maths learning for life. This may include mathematics live-in camps conducted on campus. ACU has conducted five Playing with Numbers programs in 2013.

ACU’s Aspiration programs include:

- **Aspirations / Launching Days** where Year 7 -10 students and/or parents are invited to participate in a range of interactive and hands-on activities conducted by ACU staff and ACU students. The range of activities may be conducted on school sites or on the ACU campus. ACU has organised 56 of these events in 2013.
- **Shadow a Student** affords Year 9-11 students the chance to experience ‘a day in the life of a university student’, accompanying a university student for a day, attending lectures, tutorials and practicals, sharing lunch in the cafeteria, and making use of library services. On return to school, students share their experiences and impressions with their Year Level cohort. Eight ACU students have been shadowed in 2013.
- **Professional Development Days** where partner schools are invited to conduct their staff professional development days on the university campus. This enables staff of schools to see a university in action. It

²⁴ See MyScience at <http://www.myscience.com.au>

provides an interactive forum whereby staff from both schools and universities can discuss challenges that arise in transition from school to university.

- **Year 10 Mentors for MyScience** provides able and engaged Year 10 science students for mentoring support to the students doing the MyScience program in the neighbouring primary school. The Year 10 students are trained to mentor the primary students through their investigative science work. They provide support throughout the investigation, and are examples for their younger peers of students who see science as interesting, worthwhile and exciting. It also provides the mentors with an opportunity to broaden their knowledge base by embedding skills involved in investigative science and rewards them for their science ability and interest.
- **Journal Writing Program** where ACU staff work with Year 7 and 8 teachers to assist them to engage their students in discussions around their future career and educational aspirations, and the pathways necessary to achieve them. Students are assigned an on-going journal writing exercise that asks them to reflect, further identify their aspirations and articulate what is required to achieve their goals. A hardcopy journal is provided by ACU.
- **On the Job** is a fun, interactive online program that introduces students to a broad range of careers and their potential linkages to university. The program contains job profiles, games, activities, links, relevant resources and videos.²⁵
- **Careers Web Quest** is an online interactive educational program that employs a problem-based learning approach. It is a team based activity requiring higher order thinking skills. It introduces students to a broad range of career options and to their links to higher education courses. ACUgate staff provide in-service support to teachers prior to the program.²⁶
- **Thinking with Maths** gets ACU Education staff and students to engage Years 7-9 students in fun activities that reinforce basic number concepts and that aim to foster an appreciation of the value of maths learning for life. This may include mathematics live-in camps conducted on campus. This program is currently in development.

ACU's Access programs include:

- **Writers' Workshop** is a series of two, one-day academic skills workshops, focussing specifically on the development of writing skills for Year 12 students. The workshops cover such topics as improving clarity of expression, improving and developing revision techniques and analysing and answering past paper questions.
- **Making Maths Work** is a series of two, one-day academic skills workshops conducted in the school holidays at the end of Term 2 and Term 3 for Year 12 students. The workshops aim to support and encourage participation in the study of mathematics and to assist students to optimise their maths grades to enhance university entrance. Workshops include consolidation of knowledge in areas such as Statistics, Calculus, Trigonometry and Probability.

ACU has run 14 of these writing and maths workshops in 2012-13. In 2012, 70 students participated in the Writers Workshop and Making Maths Work workshops. In 2013, 340 students participated.

- **Uni Step Up** is a program where Year 11 and 12 students are offered the chance to undertake a selected range of first year university units of study. Units of study available and their method of delivery vary according to state. Currently, courses are available in the areas of Education, Health Science, Exercise Science, Arts and Business. Students who successfully complete their chosen unit of study, and who choose to enrol in a related ACU undergraduate degree course will receive credit points towards that degree. If students enrol in another university it will be at the discretion of that university to award credit. Of the 80 students participating in this program in 2012, 20 entered ACU in 2013.
- **Education Reconnect (ER)** programs are in two categories. **ER1** is targeted at students who have achieved an ATAR but have not been able to start a university degree. This program enables students to stay connected to university without a full-time load or financial commitment. They are offered a university unit which can be credited to their degree when they commence full-time study. It is also possible for a student to enter ACU through ACU's pathway program ACUcom. Of the 33 Education Reconnect 1 (ER1) students, 11 have entered ACU.
- **ER2** targets people who have not achieved an ATAR. Participants may have worked for some time, may have done a non-university course and now wish to pursue a degree. These individuals are required to

²⁵ See Australian Catholic University, 'On the Job', at <http://apps.acu.edu.au/onthejob/index.htm>

²⁶ See Australian Catholic University, 'Career WebQuest', at <http://apps.acu.edu.au/careerswq/index.htm>

submit a CV, are interviewed by the Equity Pathways Officer on the campus, are required to submit academic transcripts of other courses completed (e.g. TAFE Cert 111 and Cert 1V courses) and are required to nominate three referees. The Equity Pathways Officer considers the material and if agreed by the faculty, a direct offer is made. Of the 4 Education Reconnect 2 (ER2) students, all are achieving above average results.

- **Come to Dinner** is an event hosted by ACU for Indigenous secondary school students and ACU Indigenous staff and students to share a formal dinner together. Secondary school students are provided with the opportunity to listen to presentations from ACU Indigenous staff and students, and have the chance to engage in conversation about university life. ACU Indigenous students are trained as mentors to assist their effective interactions with secondary school students. ACU has run three of these events in 2013.
- **Principal's Recommendation Program** is offered to partner schools and identifies students who have experienced educational disadvantage. In consultation with the principal, Equity Pathways Unit and the relevant Faculty a Year 12 student is recommended for entry to an ACUaccess or degree program. The student must participate in ACU Smart and are supported by an academic skills advisor throughout their first year. Of the 91 students participating in this program in 2012, 58 entered ACU in 2013.
- **ACUaccess-ACUcom** is for students wishing to enrol at ACU who do not have sufficient prerequisites to start a degree course to provide pathways options that include diploma courses and VET courses offered by ACUcom. This program is directed to early school leaver students with ATARS below entrance requirements.

Given the short time that the demand driven system has been operating and the age of the students involved in the Awareness and Aspiration programs, it is not possible to evaluate their success at this stage. However as indicated above, the results from some of ACU's Access programs indicate that they are successful in encouraging more students from low SES backgrounds to attend university.

ACU is also part of three major state-based collaborative projects designed to lift low SES participation.

- **Widening Tertiary Participation** a Queensland funded and based \$21 million program (2011-2014) where seven universities are assigned a geographic area to conduct their outreach activities to widen participation in higher education, particularly targeting students from low socioeconomic backgrounds.
- **Bridges to Higher Education** a NSW based Commonwealth funded \$21.4 million program (2011-2014) where five universities work with primary and secondary schools, TAFE and community partners in Greater Western Sydney to engage young people who previously might not have considered higher education as an option. All universities participate in the nine collaborative projects designed to lift participation.²⁷
- **LEAP- Learn, Experience, Access, Professions** a Victorian funded and based \$3.4 million program (2011-2014) where eight universities aim to demystify the links between school, university and professions. LEAP seeks to encourage secondary students from low SES communities to consider higher education through a focus on the professions. LEAP offers access to a range of university campus, workplace and school-based activities along with online resources. LEAP aims to help students learn more about the role of university study in attaining their career goals. Engineering, Health, Design and Law professions are the first four professions being highlighted by the program with others added over time.²⁸

²⁷ See Bridges to Higher Education at <http://www.bridges.nsw.edu.au>

²⁸ See Learning Experience Access Professions (LEAP) at <http://www.leap.vic.edu.au>

C. Meeting the skills needs in the economy

The Bradley Review commissioned Access Economics to examine future demand for the employment of university graduates. Access predicted a cumulative shortfall of 370,000 graduates by 2018 and suggested that Australia's future productivity may be undermined if it failed to meet this demand.²⁹ The Bradley Review found that substantial increases in the number of Commonwealth supported higher education places would need to be facilitated in order to increase the number of graduates in Australia.³⁰

More recent predictions indicate that:

- Demand for higher-level skills will substantially increase over the next decade, with the growth of high-skilled jobs expected to occur at around 160 per cent of the rate of low-skilled jobs.³¹
- By 2025, industry demand for post-school qualifications will increase from 60 per cent to between 65 and 75 per cent, depending on the nature and growth of the economy³²

The preliminary evidence indicates that the demand driven system is serving to meet the skills needs of the Australian economy, by producing graduates in response to workforce demand and by filling areas of workforce shortage.

Figure 7 below provides an overview of enrolment growth in commencing domestic students under the demand driven system by broad field of education at all Australian higher education providers.³³

Figure 7

Broad Field of Education	Commencing Domestic Student Numbers	
	% Change from 2009-2012 ³⁴	Average Annual Increase 2009-2012
Natural and Physical Sciences	34.8%	11.3%
Information Technology	20.8%	7.8%
Engineering and Related Technologies	16.0%	6.3%
Architecture and Building	11.0%	1.8%
Agriculture, Environmental and Related Studies	-0.7%	0.8%
Health	25.7%	8.4%
Education	16.8%	6.4%
Management and Commerce	8.7%	2.9%
Society and Culture	17.3%	7.0%
Creative Arts	13.6%	7.1%

Additional new graduates in these areas will serve to fill existing workforce needs and to address existing and projected skills shortages domestically.

- The **health workforce** is severely strained, and is likely to be further challenged faced with a significant ageing population. Australia expects to face a workforce gap of between 80,000 and 147,000 nurses by 2025,³⁵ and there are further workforce shortages in various other health fields such as speech pathology.

²⁹ Access Economics, *Future Demand for Higher Education – Report for Department of Education, Employment and Workplace Relations* (November 2008), at iii. Available via

<http://www.innovation.gov.au/HigherEducation/Documents/Review/AccessEconomics.pdf>

³⁰ Bradley Review, at 155.

³¹ Universities Australia, 'Australia has a lot to be proud of in our universities' (27 February 2013), at

<http://www.smartestinvestment.com.au/2013/02/australia-has-a-lot-to-be-proud-of-in-our-universities/>

³² Ibid.

³³ Data derived from Australian Government Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education statistics publications.

³⁴ Figures rounded to the first decimal place.

³⁵ Health Workforce Australia predictions quoted in Murphy, K, 'Nursing shortage crisis looming', *Sydney Morning Herald* (28 March 2012).

Overall, the Health Care and Social Assistance industry is projected to experience the fastest growth in Australia.³⁶

- Similarly, the **education** sector faces changing workforce needs into the future. Currently, there is an expectation that Australian schools will face a large influx of students over the next eight years. The Commonwealth Department of Education, Employment and Workplace Relations forecasts an additional 670,000 school student enrolments over the next seven to eight years.³⁷
- In the **architecture and building** field, the Australian Government predicts that demand for building professionals and architectural and building technicians will increase over the long-term.³⁸ Courses such as architecture and landscape architecture have a particularly high education and skill match, with the Australian Workforce and Productivity Agency identifying that the skills people acquire through education and training are being deployed for the uses intended – with university courses particularly noted as having a “strong degree of match with eventual employment in architectural occupations.”³⁹ In 2010, of the new graduates employed as Architects or Landscape Architects, 91 per cent were found to have studied in a related field, such as building or architecture and urban environment.⁴⁰
- Shortages of **engineering** graduates are also an issue, which is having a wider impact in stalling national development. Current numbers of engineering graduates are insufficient to meet Australia’s engineering skills shortages. This is having a range of workforce flow-on effects and has “led to delays across a number of engineering and infrastructure projects.”⁴¹ Australia has been dependent on sourcing skilled workers from overseas, however this is not a sustainable long-term solution (use of 457 visas for engineering occupations has tripled since 2003-2004, and more than 50 per cent of the engineering labour force is overseas born) and industry has been stressing the need to prioritise domestic engineering education.⁴²
- A statistical report by Engineers Australia indicates that bachelor degree completions producing new professional engineers were about 5 per cent higher in 2009 and 2010 – which falls under the phase-in period of the demand driven system - than the decade average.⁴³ Overall, the flow of new professional **engineers** through bachelor degree completions, increased by 7.6 per cent in 2010.⁴⁴ Reliance on temporary skilled migration to fill engineering workforce gaps is not a sustainable policy approach, and Engineers Australia would “like to see government and industry moving towards long-term solutions for tackling the skills shortage. Investment in engineering education remains a priority area.”⁴⁵
- The former Department of Industry, Innovation, Science, Research and Tertiary Education has also highlighted that Australia “will need to raise the level of **technical skills and scientific education** as well as the number of people with these skills in the workforce” if it is to produce an innovative, high technology, and high productive economy.⁴⁶ OECD reports also reveal that countries that are recognised as having an

³⁶ Australian Workforce and Productivity Agency, *Future Focus – 2013 National Workforce Development Strategy* (March 2013).

³⁷ Ferrari, J, ‘Schools to chalk up massive growth,’ *The Australian* (23 August 2012).

³⁸ Australian Government Department of Education, Employment and Workplace Relations, *Skill Shortages Australia – 2012* (2012), at 20. Available via <http://foi.deewr.gov.au/system/files/doc/other/skillshortagesaustralia.pdf>

³⁹ Australian Workforce and Productivity Agency, *ANZ SCO: 2321 Architects and Landscape Architects* (January 2012), at <http://www.awpa.gov.au/our-work/labour-market-information/skilled-occupation-list/Documents/2321ArchitectsLandscapeArchitects.pdf>

⁴⁰ Australian Graduate Survey (2010).

⁴¹ Durkin, S., in Engineers Australia, *New Study Shows Depth of Engineering Skills Shortage* (9 August 2012), at http://www.engineersaustralia.org.au/sites/default/files/shado/News%20and%20Media/Media%20Statements/2012MediaStatements/new_study_shows_depth_of_engineering_skills_shortage.pdf

⁴² Engineers Australia, *New Study Shows Depth of Engineering Skills Shortage* (9 August 2012), at http://www.engineersaustralia.org.au/sites/default/files/shado/News%20and%20Media/Media%20Statements/2012MediaStatements/new_study_shows_depth_of_engineering_skills_shortage.pdf

⁴³ Engineers Australia, *The Engineering Profession – A Statistical Overview* (9th ed, 2012), at 51. See http://www.engineersaustralia.org.au/sites/default/files/shado/Representation/Stats/statistical_overview_2012_1.pdf

⁴⁴ *Ibid.*

⁴⁵ Engineers Australia, above n 47.

⁴⁶ Australian Government Department of Industry, Innovation, Science, Research and Tertiary Education, *Innovation Policy Report* (August 2012), at <http://www.innovation.gov.au/Innovation/ReportsandStudies/Documents/InnovationPolicyReportAug12.pdf>

innovative workforce - such as Sweden, Denmark and Finland - have three times more research and development personnel in industry and commerce than Australia.⁴⁷

- Australia's Chief Scientist has outlined that the current challenges for Australia's science system include addressing graduate and workforce shortages in Science, Technology, Engineering and Mathematics (STEM).⁴⁸ Significantly, 75 per cent of the fastest growing occupations require STEM skills and knowledge.⁴⁹
- Student numbers in **information technology** related courses have grown under the demand driven system. Workforce projections indicate that the demand for information and communications technology (ICT) technical and professional staff continues to grow.⁵⁰ Australia has one of the highest rates of broadband use by business in the world.⁵¹ If Australia is to continue to participate effectively in a rapidly changing technological environment and compete in the digital age – both domestically and internationally – it is necessary to continue to producing more graduates with strong information technology skills that can serve business and industry effectively.
- Higher education courses which, on a superficial evaluation, may not have direct application to particular professions do also carry significant benefit and contribute to the national productivity and innovation drive.⁵² For example, creative arts, society and culture, philosophy and history degrees, might fall into this category, compared to more vocation-oriented courses such as teaching and nursing. A recent landmark study of 11,000 graduates of **English, history, philosophy**, classics and modern languages between 1960 to 1989 (conducted in the United Kingdom), revealed a dramatic movement of these graduates into new growth sectors including finance, media and legal services.⁵³ The study identified that University of Oxford humanities graduates, especially its philosophers, “led the way into the new finance jobs that helped to drive economic growth in Britain.”⁵⁴

⁴⁷ OECD Science, Technology and Industry Scoreboard 2011, at http://www.oecd-ilibrary.org/sites/sti_scoreboard-2011-en/index.html;jsessionid=qh5sfflro6e.delta?contentType=/ns/Book,/ns/StatisticalPublication&itemId=/content/book/sti_scoreboard-2011-en&containerItemId=/content/serial/20725345&accessItemIds=&mimeType=; Australian Government Department of Industry, Innovation, Science, Research and Tertiary Education, *Innovation Policy Report* (August 2012).

⁴⁸ Office of the Chief Scientist, *Health of Australian Science* (May 2012), at <http://www.chiefscientist.gov.au/wp-content/uploads/Report-for-web.pdf>; Australian Government Department of Industry, Innovation, Science, Research and Tertiary Education, *Innovation Policy Report* (August 2012).

⁴⁹ Australian Industry Group, *Lifting Our Science, Technology, Engineering and Maths (STEM) Skills* (2013), at http://www.aigroup.com.au/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/LIVE_CONTENT/Publications/Reports/2013/Ai_Group_Skills_Survey_2012-STEM_FINAL_PRINTED.pdf

⁵⁰ Australian Computer Society, *2012 Australian ICT Statistical Compendium* (2012), at 72. Available via http://www.acs.org.au/data/assets/pdf_file/0014/13541/2012_Statcompendium_final_web.pdf

⁵¹ *Ibid*, at 65.

⁵² As Charles Vest, former President of the Massachusetts Institute of Technology has eloquently articulated, although the reality of today is that universities “*must teach students to relate analysis and theory to the practical and the concrete... it is the pursuit of the truly unknown – of principles, insights, materials, and organisms of which we currently have no inkling – that will yield the greatest rewards for a society that invests in education, scholarship, and research. New knowledge can advance the human spirit, strengthen the economy, and enhance the quality of life... We must remind ourselves, and the public, that our value to practical concerns like health, economic productivity, and national security accrues ultimately from our enthusiasm for mysteries – our readiness, and that of our students, to explore the truly unknown.*” Charles Vest in Barlow, T., *The Australian Miracle: An Innovative Nation Revisited* (2006), at 203.

⁵³ University of Oxford, *Humanities Graduates and the British Economy: The Hidden Impact* (July 2013).

⁵⁴ Lane, B., ‘Oxford humanities grads at the heart of UK growth’, *The Australian* (17 July 2013), at <http://www.theaustralian.com.au/higher-education/oxford-humanities-grads-at-the-heart-of-uk-growth/story-e6frgcjx-1226680332246>

3. EXTENT TO WHICH THE REFORMS HAVE ENCOURAGED INNOVATION, COMPETITION, DIVERSITY AND GREATER RESPONSIVENESS TO STUDENT DEMAND INCLUDING DEVELOPMENT OF NEW MODES OF DELIVERY SUCH AS ONLINE LEARNING

The demand driven system facilitates greater competition and innovation amongst institutions, as they can no longer rely on pre-determined centrally allocated student quotas to fill places. Institutions must now work more proactively and compete to attract students. The demand driven system is already creating allocative efficiencies, driving diversity and creating specialisation in universities by compelling them to develop areas of strength and to shed inefficiencies, in order to ensure their viability in the market. By creating a more competitive market the system is driving universities to focus on students as customers. It is also serving to drive innovation as individual universities work to differentiate themselves, and constantly seek to lift the quality of their course offerings to both attract and retain students, and to better respond to student learning needs and demand; the latter has included the development of new modes of delivery such as the greater use of online learning. The demand driven system has also encouraged universities to make strategic decisions around partnerships and collaborations to enhance their services and profiles.

The market-based competition which underpins the demand driven system creates important allocative efficiencies in universities as it encourages institutions to specialise in their areas of greatest strength and address, or jettison, areas of weakness.

A competitive environment compels higher education providers to evaluate their strengths and weaknesses, and to respond with course offerings and services that meet demand. Effectively, “thirty-nine universities can no longer afford to do thirty-nine versions of the same thing.”⁵⁵ In areas where an institution is not competitive, the institution will be more inclined to redirect its resources to respond to demand, differentiate itself, and work to continuously lift quality in its areas of strength in order to remain competitive.

Institutions have already begun to operate more efficiently and innovatively under the demand driven system, better allocating resources and adjusting course offerings in response to student demand. The demand driven system is driving these changes. Maintaining the system is key to further driving efficiencies. If the system is capped or altered then the policy drivers which are promoting diversity and rational economic choices will be removed, thereby protecting institutions from competition. A few illustrative examples of the rational economic choices universities are making include:

- The **University of Ballarat** merger with the **Monash University Gippsland Campus** and merged as **‘Federation University Australia’ (FUA)**. Commenting on the rationale behind the merge, the Vice-Chancellor of Monash University, Professor Ed Byrne, identified that “in recent years our university and others have been making every effort towards increased efficiency, [and] streamlining processes.”⁵⁶ The merger will enable the two universities to pool the skills and expertise developed in Gippsland, Ballarat and the western regions of Victoria to “give students access to a wider range of courses and to better support students, business, industry and community.”⁵⁷ The creation of FUA reflects a deliberate strategic decision to lift the recruitment potential, regional reach and marketability of the institution.⁵⁸
- The **University of Western Sydney (UWS)** has discontinued courses in which enrolments had declined and it could no longer compete (including the UWS Bachelor of Economics, three majors in offered Arts degrees, and Bachelor of Communication sub-majors of writing, performance and animation), as students opted for alternative universities in their preferences.⁵⁹ In November 2012, the UWS Deputy Vice-Chancellor (Corporate Strategy and Services) indicated an intention to review and streamline UWS course offerings.

⁵⁵ Craven, G., ‘On target for the demand-driven system’, *Campus Review* (18 July 2013), at <http://www.campusreview.com.au/blog/2013/07/on-target-for-the-demand-driven-system/>

⁵⁶ Foenander, C., ‘University plan feels the pinch’ *ABC Gippsland* (16 April 2013) at <http://www.abc.net.au/local/stories/2013/04/16/3738211.htm?site=gippsland>

⁵⁷ Monash University, ‘Gippsland Future’, at <http://www.monash.edu.au/gippsland-future/>

⁵⁸ Cowie, T., ‘University of Ballarat to become Federation University Australia’, *The Courier*, at <http://www.thecourier.com.au/story/1600330/university-of-ballarat-to-become-federation-university-australia/>

⁵⁹ For example see UWSdissenter, ‘Cuts to Economics at UWS’ (5 November 2012), at <http://uwsdissenter.wordpress.com/2012/11/05/cuts-to-economics-at-uws-media-release/>

- **Australian Catholic University (ACU)** has adjusted its organisational structure streamlining its existing six faculties into four faculties. Plans are also underway to develop shared services across organisational units to improve efficiencies.
- In 2012, **Swinburne University of Technology's (Swinburne)** Vice-Chancellor announced that Swinburne would be reshaping its identity and taking it back to what she saw as its 'core' of science, technology and innovation.⁶⁰ Swinburne had accumulated an "apparently disconnected grab-bag of courses since it was established 104 years ago as a technical school."⁶¹ In an address to staff in July 2012, the Vice-Chancellor identified that if Swinburne was to achieve its objectives in the new competitive funding environment, it would need to make decisive changes to the courses it delivered, and how and where they were delivered.⁶² Swinburne has also sought to examine ways to "more efficiently" deliver the services that support its teaching and research.
- The **University of Adelaide** has adjusted its course offerings to better respond to student demand. Courses experiencing low student numbers have been cut from the University's Faculty of Humanities and Social Sciences, with the institution commenting that it wants to "appropriately support students in the programs they choose, which means redirecting resources away from the many programs which they clearly do not favour."⁶³ To operate more efficiently, The University of Adelaide's faculties have also been directed to identify their core areas of curriculum which are the most important to their faculty mission. This would also lead to greater specialisation and concentration on the institution's core areas of strength.
- The demand driven system has also propelled universities to actively seek out and establish new collaborations and quality partnerships to better tap into and meet diverse student demands and markets. The **University of Canberra (UC)** has entered into a partnership with **Holmesglen Institute** to teach an expanded range of degrees, creating new pathways for students to gain access to a higher education – Holmesglen Institute will teach certain UC undergraduate degrees, while selected Holmesglen degrees will be rebadged as UC degrees. Professor Stephen Parker, Vice-Chancellor, University of Canberra, has identified that the demand driven system compelled it to expand in order to remain competitive and also noted that the institution had looked to its long-term future and sought to 'build scale' through partnerships - the new partnership with the Institute will be the "beginnings of a national network" for UC. The demand driven system has afforded institutions such as UC the necessary flexibility to create "realistic pathways for students who missed out on higher education, because of educational deficits when they were younger or because of life experiences."⁶⁴
- **La Trobe University** is proposing to streamline its structure whereby its current five faculties would be collapsed into two super faculties or colleges under an efficiency restructure.⁶⁵ La Trobe's Vice-Chancellor Professor John Dewar has said that such a structure would "play to our strengths". The University also intends to restructure around research priorities, and the University's cross-disciplinary research priority areas will 'sit between' the two colleges and foster cross-disciplinary activity.⁶⁶ The restructure is aimed at reducing costs and duplication in light of a looming \$65 million budget deficit and to free up money to invest in boosting the University's teaching and learning performance. A review of academic productivity through the introduction of new performance criteria for teaching and learning, and a move to simplify and standardise support functions such as human resources, finance and marketing, are also being considered.⁶⁷
- **Central Queensland University (CQU)** intends to model its expansion plans on the 'Bendigo Bank model' to open branches in towns abandoned by its rivals.⁶⁸ CQU Vice-Chancellor Professor Scott Bowman has commented that most Australian towns want their own campus, however economics do not usually carry

⁶⁰ Preiss, B., 'New chief forced to bend in the storm', *The Age* (24 July 2012), at <http://www.theage.com.au/national/education/new-chief-forced-to-bend-in-the-storm-20120723-22k7c.html>

⁶¹ Ibid.

⁶² Kristjanson, J., Transcript - 'Transforming Swinburne – VC's address to Swinburne Staff' (6 July 2012), at <http://www.swinburne.edu.au/chancellery/vc/transforming/transcript.pdf>

⁶³ Loussikian, K., 'Alarm at Adelaide course cuts', *The Australian* (28 August 2013).

⁶⁴ Ross, J., 'Holmesglen link a new start for Canberra', *The Australian* (17 October 2012), at

<http://www.theaustralian.com.au/higher-education/holmesglen-link-a-new-start-for-canberra/story-e6frcjx-1226497305576>

⁶⁵ Trouson, A., 'La Trobe faculties merge as two colleges', *The Australian* (26 November 2013); Trouson, A., 'La Trobe Flags Super Faculties' *The Australian* (24 October 2013).

⁶⁶ Ibid.

⁶⁷ Trouson, A., 'La Trobe Flags Super Faculties' *The Australian* (24 October 2013).

⁶⁸ Ross, J., 'Taking it to the people, town by town', *The Australian* (20 November 2013).

favour. Professor Bowman's approach relies on towns contributing with infrastructure and staff time: "It might be a room in the council offices, the library, a TAFE. We could train a librarian, for example, in enrolment processes, student support and the courses we offer by distance."⁶⁹ It is envisaged that the local communities would benefit from a "direct link-in" to the university, with the possibility of additionally benefits such as mutually beneficial research projects; and students would "gain relief from the loneliness of distance education."⁷⁰

- **Murdoch University** has significantly restructured under the demand driven system, making a move in 2011 to reduce and streamline its fourteen schools into eight schools, move from eighteen to eight directors, review its curriculum and restructure its professional services. Vice-Chancellor Professor Richard Higgott has commented that Murdoch is now a "more efficient institution."⁷¹ The merging of Murdoch's Law faculty with Arts and Education, and Business with Media and Creative Technology reportedly helped Murdoch to "find sufficient surpluses from the operating revenue to reinvest for a financially secure future", saving the university \$550,000.⁷²
- **James Cook University (JCU)** plans to restructure in 2014 by replacing its existing four faculties, fourteen schools and four corporate divisions with a college structure.⁷³ The new structure would consist of two divisions – tropical health and life sciences; and environment, science and design – and seven colleges, and three corporate divisions. JCU Vice-Chancellor, Professor Sandra Harding, has articulated the JCU's desire to differentiate itself in the higher education landscape, commenting that "The ambition is to uphold a university that is unique in the Australian higher education setting in terms of its focus, the student experience and its engagement." The new structure would lend to 'intuitive groups of disciplines' to facilitate the development of signature programs and implement a 'grand-challenges framework.'⁷⁴

Under the demand driven system, universities must more sharply focus their services on students. While students have always been a primary focus for higher education providers, the demand driven system facilitates greater competition between institutions. In order to attract students, institutions are forced to work harder to ensure the delivery of quality education and to strengthen their respective reputations. Under such a system - where funding follows the student - students are effectively "higher education 'shoppers' who are more interested than ever before in specific learning outcomes, job guarantees, and prices."⁷⁵

While the notion of specialisation and differentiation amongst institutions is not a new concept within the higher education sector, the introduction of the demand driven system propels universities to focus on their strengths. Universities must demonstrate to prospective students that they can 'value-add' to their learning experiences, and portray how their courses can more readily equip the student with the knowledge and skills being sought.

A further benefit of competition and greater flexibility under a demand driven system is that institutions are more likely to innovate to address systemic issues that may be preventing capable students from participating in higher education. It is recognised that "disadvantaged students lack awareness of higher education and lack understanding of what is involved in preparing for [a university course]"⁷⁶, which has held back a number of these students from engaging in higher education. In seeking to attract more capable students under a demand driven system, institutions are more driven to develop initiatives to overcome these barriers. In this sense, the incentives created under an open and competitive system also serve the broader national interest, in producing more graduates to lift national productivity.

- The **University of South Australia** has recently announced a bold new action plan to profile and assert itself as "Australia's enterprise university", aiming to build a distinctive reputation as an institution "that is

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ Hare, J., 'Murdoch head defends results of rapid reform', *The Australian* (4 December 2013).

⁷² Editor – Murdoch Independent, 'Special Report – planned faculty split saves \$550,000', *Murdoch Independent* (22 October 2010), at <http://www.murdochindependent.com.au/special-report-murdoch-plagued-by-crisis-of-confidence/>

⁷³ Hare, J., 'JCU looks to dump faculties in favour of colleges', *The Australian* (6 December 2013), at http://www.theaustralian.com.au/higher-education/jcu-looks-to-dump-faculties-in-favour-of-colleges/story-e6frgcjx-1226777120449?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+TheAustralianHigherEducationNews+%28The+Australian+|+Higher+Education%29

⁷⁴ Ibid.

⁷⁵ Koch, J., 'The Revolution in Higher Education', 3(2) *Perspectives on Law and the Public Interest* 145 (1998-1999), at 150.

⁷⁶ Bradley Review, at 40.

innovative, engaged and enterprising.”⁷⁷ The University has undertaken to build three new regional campuses, new University branded accommodation sites, and a new sports and cultural complex. The Vice-Chancellor, Professor David Lloyd, has commented that “Students are why we exist, so providing the best environment we can for them is core business.” The University is also working closely with industry and responding to workforce needs. Under the demand driven system, the University has great flexibility to adapt its courses and intakes accordingly, and is working to ensure that “content and practice are informed by first-hand experience of what is happening on the ground - in health, in business, in government, in the environment and in the professions.”⁷⁸ This is being facilitated by appointing more industry and professional leaders on its expert advisory boards, as well as creating competitive internship or work experience opportunities for students.

- **Swinburne** Acting Vice-Chancellor, Professor Jennelle Kyd, has argued that ‘the demand-driven system has made it possible for institutions to deliver education in new ways’ and that Swinburne could not have created “Swinburne Online” under the old system of Commonwealth-supported places.⁷⁹ Swinburne Online is a partnership between Swinburne and SEEK Ltd (commenced in 2012), which offers undergraduate degrees to students through “entirely digital” learning. In 12 months, 7,000 full-time students have enrolled in Swinburne Online.⁸⁰ As Andrew Norton has identified, under the capped system, Swinburne would have “needed to go through a slow political process to get new places, with no recent precedent for such a large number of new students at a single institution.”⁸¹
- Similarly, in 2011, **Curtin University** launched “Curtin Online” – in 2012, Curtin University had 6,800 off-campus students, which was a 70 per cent increase on the 2010 pre-launch year.⁸²
- Established online higher education providers such as **Open Universities Australia** (OUA) have also benefitted from the demand driven system. OUA experienced a 7 per cent growth rate between 2011-2012. The demand driven system has “allowed its client universities to offer subsidised degree programs through OUA; whereas previously its growth constrained as no Commonwealth contributions were available for subjects outside of a degree program.”⁸³ Ventures such as those developed by Swinburne Online have provided students with new and greater options to access higher education, which is in pace with developments in higher education internationally.
- **Open Universities Australia** (OUA) is effectively “turning its business model upside down” facing the impact of increased competition under the demand driven system.⁸⁴ OUA - a pioneer of online education with joint ventures with a number of Australian universities including OUA Pathways⁸⁵ - has experienced a decline in enrolments with a 4 per cent decline in enrolments in the last quarter of 2012. The institution has acknowledged that the demand driven system has brought on increased competition and innovation amongst universities. The Chief Executive of OUA, Paul Wappett, has commented that “For a long time, we [OUA] were the only game in town when it came to online education”, however there has been more competition for students with Curtin University of Technology and Swinburne University of Technology launching their own online programs while still offering courses through joint ventures with OUA. Consequently, OUA has been compelled to reposition itself and seek new ways to improve quality in its courses to attract more students. OUA is reacting to the transformed market by diversifying. Apart from full degrees, it has moved into vocational and educational training, as well as corporate and compliance training. Free ‘taster courses’ are also being offered via its Open2Study platform to provide a ‘test bed for improving the quality and appeal of its online courseware.’

An uncapped higher education environment encourages universities to make strategic decisions around partnerships and collaborations to enhance their services and profiles. With the flexibility afforded under the demand driven

⁷⁷ Schriever, J., ‘University goes back to school’, *The Advertiser* (Adelaide) (16 August 2013).

⁷⁸ Ibid.

⁷⁹ Maiolo, A., ‘Caps have backwards look’ (12 August 2013), at <http://www.campusreview.com.au/blog/2013/08/caps-have-backwards-look/#sthash.19OVk3yX.dpuf>

⁸⁰ Gallagher, S., and Garrett, G., ‘MOOCs: the iTunes of academe’, *The Australian* (31 July 2013), at

<http://www.theaustralian.com.au/higher-education/opinion/moocs-the-itunes-of-academe/story-e6frgcko-1226688285382>

⁸¹ Norton, A. – Grattan Institute, *Keep the caps off! Student access and choice in higher education - A Grattan Paper* (August 2013), at 20. Available via <http://grattan.edu.au/static/files/assets/205fbc0e/195-Keep-the-caps-off.pdf>

⁸² Ibid, at 19.

⁸³ Ibid.

⁸⁴ Lane, B., ‘Open uni gets clever to combat rival sites’, *The Australian* (28 August 2013).

⁸⁵ See <http://www.open.edu.au/future-students/commonwealth-supported-place-students/>

system, higher education providers are able to respond more quickly to the needs of industry and employers.⁸⁶ As a safeguard, the Government retains the ability to, if necessary, respond to new skills shortages and/or any oversupply of graduates in particular areas; however the system allows institutions the flexibility to determine student numbers based on industry and employer needs.⁸⁷

- The **University of Adelaide** has also announced it is exploring new education models. In particular, a new partnership could enhance teacher education in South Australia through pooling resources between universities and drawing upon respective institutional strengths. The particular initiative involves a proposed agreement where students would be able to enrol in a double degree program, combining an undergraduate discipline degree at the University of Adelaide, with an education degree from Flinders University. The Vice-Chancellor of The University of Adelaide, Professor Warren Bebbington, has identified that the initiative could better respond to workforce needs, considering that ‘such a collaboration could help to reduce the duplication in education courses in South Australia at a time when a state school population could mean limited jobs for teachers.’⁸⁸ In particular, the initiative could serve to “enhance the quality of graduates, by combining rigour in a subject area with a broader pedagogical experience than either university could offer alone.”⁸⁹ It would facilitate an arrangement that allows the institutions involved to work to and deliver on their respective strengths. The Vice-Chancellor of Flinders University, Professor Michael Barber, has recognised that such a collaboration would serve to produce high quality graduates, identifying that “research shows that embedding an element of practical teaching from an early stage in university studies makes an enormous difference with graduates being more likely to enjoy a successful career in the classroom and stay in the profession.”⁹⁰

Under a demand driven system, universities have much greater flexibility and incentive to keep abreast of workforce needs and to adapt and enhance course offerings accordingly, to better serve students and employers.

- For instance, **Flinders University** identifies that its motivation for the industry-focus of its engineering awards has been the “feedback the University is receiving from employers”, also noting the ‘steady stream of commentary’ in 2012 detailing the shortage of engineering and ICT graduates.⁹¹

⁸⁶ It has been said that in the context of effective priority setting “Governments are like bad big game hunters. They hunt in the same parks as everybody else. They are noisy and not well camouflaged...And if they strike a target, it is invariably only after someone else’s bullet has already brought it down.” (Barlow, T., *The Australian Miracle: An Innovative Nation Revisited* (2006), at 178-179). While this may be a harsh analogy, the reality is that if Australia is to secure a competitive edge in the global market, the incentives afforded under the demand driven system are essential to facilitating the necessary flexibility and competition amongst institutions to attract more students into higher education, and to acquire the foresight to devise and deliver innovative courses that are more responsive to workforce needs.

⁸⁷ Leigh, A., *Demand Driven Universities* (21 June 2011), at <http://andrewleigh.com/index.php/speaking2/education/164-demand-driven-universities>

⁸⁸ The University of Adelaide, ‘University of Adelaide and Flinders explore joint teacher education’ (4 September 2013), at <http://www.adelaide.edu.au/news/news64422.html>

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ Flinders University, *Reports Continue of Australia’s Worsening Engineering and ICT Graduate Shortage*, at http://flinders.edu.au/science_engineering/csem/news/engjobshortage.cfm

4. WHETHER THERE IS EVIDENCE OF ANY POTENTIAL ADVERSE IMPACTS ON THE QUALITY OF TEACHING AND OF FUTURE GRADUATES

Quality and Standards

There is a common misconception that quality is compromised under a demand driven system. The primary argument has been that standards have been lowered and ATARs have dropped. These are superficial arguments which have been the subject of significant public debate in recent times. The limitations and serious shortcomings of ATARs (or equivalent) in assessing student capacity have been publicly highlighted.⁹² Of the limitations identified, perhaps the most significant to note is that numerous studies have found that what correlates most strongly with an ATAR (or equivalent) is not subsequent success at university (which is what critics should be focusing on), but socio-economic status.⁹³ Assessing the quality and standards of higher education based on ATAR entry requirements is significantly flawed. Such arguments will only serve to further inhibit the participation of capable students in higher education and compound the disadvantage already experienced by many from lower socio-economic backgrounds.

Further dispelling concerns around entry standards, the latest analysis of student application data suggests that there is a natural filtering out on the demand side of the spectrum which concurrently serves to support the maintenance of standards. Analysis of application data reveals a ‘reasonable level of student self-knowledge’: “most people with below-50 ATARs do not apply to university”; additionally, of applicants who scored ATARs below-60 and received a university offer, 40 per cent reject it.⁹⁴ Overall, in 2012, only 10 per cent of all acceptances were from applicants who had scored an ATAR of 60 or below.⁹⁵

The Bradley Review recognised the detrimental effect of an increasing tendency at the time of the Review, for institutions to use “the simplest and most defensible approach to admissions (such as the TER [or ATAR]).”⁹⁶ It observed that this tendency was particularly pronounced in some fields of study which are in high demand, or in which there was a need to be able to defend decisions around admissions to external bodies in an increasingly litigious environment. Consequently, it was recommended that “more widespread use of other approaches to selection and admission with a broader range of criteria in addition to or replacing the TER and which recognise structural disadvantage should be trialled.”⁹⁷

‘Quality’ in higher education, of course, may be assessed or measured from a number of angles. Significant conceptual indicators of ‘quality’ include notions of:⁹⁸

- Transformation or the involvement of ‘qualitative change’ from one state to another “as applied to the development of students through the learning process or the creation of new knowledge.”⁹⁹
- Fitness for purpose.
- Value for money or economic benefit.

All of these measures can be said to be demonstrated under the demand driven system in its preliminary years, based on observations and estimates to date. The indication so far is that enrolment growth under the demand driven system is being met by academically capable students – who are being ‘transformed’ into capable workers. Additionally, private and public benefits are accrued in facilitating greater access to higher education: individuals with university qualifications secure much higher incomes; and the knowledge and skills developed through higher education are serving to meet skills shortages and workforce needs – contributing to higher national productivity.

⁹² For instance, see Craven, G., ‘When you wish upon ATAR...’, *The Australian* (2 May 2013), at

<http://www.theaustralian.com.au/national-affairs/opinion/when-you-wish-upon-atar/story-e6frgd0x-1226344099326>

⁹³ See e.g. James, R., Bexley, E., and Shearer, M., *Improving Selection for Tertiary Education Places in Victoria* (2009); Willis, S., *Monash University: A High Quality/High Access University that Successfully Marries Excellence and Equity* (2011) – Monash University.

⁹⁴ Norton, A. – Grattan Institute, *Keep the caps off! Student access and choice in higher education - A Grattan Paper* (August 2013), at 9. Available via <http://grattan.edu.au/static/files/assets/205fbc0e/195-Keep-the-caps-off.pdf>

⁹⁵ Ibid.

⁹⁶ Bradley Review, at 38.

⁹⁷ Ibid.

⁹⁸ Harvey, L., ‘Understanding quality’ in *European Universities Association, Bologna Handbook: Making Bologna work* (2006).

⁹⁹ Harvey, L., ‘Understanding quality’ in *European Universities Association, Bologna Handbook: Making Bologna work* (2006); and Bradley Review, at 128.

Significant measures of quality and success are student retention and attrition. Student attrition rates are actually decreasing while student enrolments increase, which serves to dispel concerns raised about a “potential decline in standards.”¹⁰⁰ The new data reveals that between 2005 and 2011 student attrition rates improved in all Australian states and territories; with the exception of Tasmania and the Northern Territory.¹⁰¹

Analysis undertaken by Harvey and Luckman further identifies that, counter to unfounded fears of ‘declining standards’, quality has been preserved; if not improved under the demand driven system.¹⁰² Between 2009-2011 student attrition rates, retention (retention rates reportedly rose by 2 per cent), student-staff ratios, and student feedback all indicate rising standards and satisfaction. Even the most recent data shows that student retention rates rose again in 2012. They also note that “while quality was preserved, a more diverse sector was also created.”¹⁰³ The recommendations of the Bradley Review for widened participation accompanied by appropriate academic support services have been embraced by higher education providers to the great benefit of students and the higher education system more broadly.

The demand driven system provides that “each institution’s funding is determined dynamically by the quality of its performance rather than by an historically-based system of centrally-planned student load allocations”, and allows funding to shift between institutions in response to student demand.¹⁰⁴ The Bradley Review anticipated that the system could see a shift in students and funding toward those institutions that had a desire to grow and could attract additional students. The indication is that these predictions are already being realised. A report by the Grattan Institute found that attrition rates from the higher education system as a whole are declining.¹⁰⁵ At the time of the Bradley Review, the latest OECD data identified that Australia’s attrition (or drop-out rate) was 28 per cent, suggesting a need for improved performance.¹⁰⁶ Under the demand driven system, institution-level attrition rates are much lower at approximately 19 per cent.¹⁰⁷ This may be a direct benefit of the demand driven system, with more students moving between universities after their first year. Under the demand driven system, with universities having greater flexibility and consequently being “more willing to accept transfers from students who are dissatisfied with their original choice, fewer of them drop out entirely.”¹⁰⁸

Another significant indication that quality has not been compromised is information on graduate outcomes under the system. This data provides a signal about the general satisfaction of employers with new higher education graduates and their suitability in terms of meeting current workforce needs. The most recent data on graduate outcomes released by Graduate Careers Australia in December 2012 identifies that “no notable change was seen in the 2012 figures for bachelor degree graduates either in or seeking full-time employment.”¹⁰⁹ In 2012, higher education graduates secured high levels of employment, with 76.3 per cent of bachelor level graduates seeking full-time employment being in full-time employment within four months of completing their degrees. This is essentially unchanged from 2011.¹¹⁰ Additionally, 15.3 per cent of graduates were working on a part-time or casual basis while continuing to seek full-time employment. Again, there is no notable change from 2011.¹¹¹ Given that the lead in period for the demand driven system commenced in 2008, the 2011 and 2012 figures present data which takes into account students commencing under the new system.

¹⁰⁰ Hilmer, F., ‘Higher uni participation shouldn’t mean lesser quality’, *The Drum* (11 July 2013), at <http://www.abc.net.au/unleashed/4811930.html>

¹⁰¹ Hare, J., and Trounson, A., ‘Soaring attrition fears not founded’, *The Australian* (17 July 2013), at <http://www.theaustralian.com.au/higher-education/soaring-attrition-fears-not-founded/story-e6frgcjx-1226680340943>

¹⁰² Harvey, A. And Luckman, M., ‘Following the facts or the money?’, *The Australian* (17 July 2013), at <http://www.theaustralian.com.au/higher-education/opinion/following-the-facts-or-the-money/story-e6frgcko-1226680344267>

¹⁰³ Ibid.

¹⁰⁴ Bradley Review, at 156.

¹⁰⁵ Norton, A. – Grattan Institute, *Keep the caps off! Student access and choice in higher education - A Grattan Paper* (August 2013), at 7. Available via <http://grattan.edu.au/static/files/assets/205fbc0e/195-Keep-the-caps-off.pdf>

¹⁰⁶ Bradley Review, at 10.

¹⁰⁷ Ibid, at 7.

¹⁰⁸ Ibid.

¹⁰⁹ Graduate Careers Australia, *GradStats – Employment and Salary Outcomes of Recent Higher Education Graduates* (December 2012), at http://www.graduatecareers.com.au/wp-content/uploads/2011/12/GCA-GradStats-2012_FINAL1.pdf

¹¹⁰ Ibid.

¹¹¹ Ibid.

5. MEASURES BEING TAKEN BY UNIVERSITIES TO ENSURE QUALITY TEACHING IS MAINTAINED AND ENHANCED IN THE DEMAND DRIVEN SYSTEM

An indication of the overall quality of university teaching under the demand driven system may be gauged from recent graduate feedback. The most recent data indicates that 94.1 per cent of graduates expressed broad satisfaction with their courses.¹¹² This indicates that there is a high level of satisfaction amongst students and new graduates with the general quality of teaching provided to them.

A benefit of the introduction of the demand driven system has been an increased focus on the learning and teaching performance of higher education institutions. Under the capped system there was less incentive for institutions to focus on the quality of teaching and learning given that demand for university places always outstripped supply, and that the next year's student cohort was generally guaranteed for institutions. With the introduction of a competitive higher education environment and the need for institutions to more actively attract students, universities are now compelled to invest in quality teaching and measures to support student learning, in order to enhance the quality of education provided and improve their reputation in the sector. With increased competition and growth, institutions have been challenged to continuously engage in initiatives that maintain and enhance quality teaching and service the diverse learning needs of the student cohort.

While ACU has always offered a range of academic and support services to its students, the University has sought to respond to changes under the demand driven system by appropriately adapting its services to support the larger and more diverse student cohort; to ensure that quality teaching is maintained and enhanced. ACU has focused on changing its service delivery model from the traditional one-on-one support model to one which includes:

- Embedding support into teaching and learning by partnering with faculty staff to provide tailored, discipline specific tutorials and support services.
- Offering workshops to groups of students.
- Using technology to provide support online; which will enable ACU to reach more students without having to increase staffing and to provide students 24/7 access to the support they need to succeed in their studies.

ACU academic teaching and student support services staff are engaged in delivering a wide range of student learning support services to enhance student learning.

Embedding Programs to Enhance Teaching and Learning Quality at ACU:

ACU Office of Student Success collaborates with academic staff to develop and deliver embedded workshops and tutorials for students, tailored to specific disciplines. These initiatives support teaching that is responsive to student learning needs within their respective disciplines. Workshops and tutorials focus on academic skills, career services, and student counselling. Examples of tutorials and workshops include:

- **Health Sciences:** ACU Health Science academic staff prepare and present workshops and tutorials for Health Science students on areas such as numeracy, essay writing and clinical communication. Workshops and tutorials delivered include: Numeracy for Health Sciences, Drug Dosage Calculations, Essay Writing, Clinical Communication, Academic Literacy, and Academic Skills & Writing.
- **Physiotherapy:** ACU Physiotherapy lecturers are involved in delivering tutorials and workshops that assist physiotherapy students to improve their student learning strategies, manage their studies, improve oral presentations, and develop their professional writing skills.
- **Paramedicine:** ACU Paramedicine staff are engaged in delivering tutorials and workshops to students which address academic skills in the discipline. Tutorials and workshops delivered include: Assignment Writing, Planning and Referencing, and Clinical Communication.
- **Arts & Sciences:** ACU Arts and Sciences students are offered tutorials and workshops that focus on academic writing, referencing and digesting literature. Topics include: Writing your way to a Thesis, Academic Writing and Referencing, Synthesising the Literature.
- **Education:** Tutorials and workshops developed and delivered in collaboration with ACU Education lecturers include strategies on approaching course content and assessment tasks and reflective writing. Specific tutorial and workshop topics include: Unpacking Assignment Tasks and American Psychological Association (APA) style referencing, Reading Strategies and Reflective Writing, Professional Personal Philosophy Statements.

¹¹² Graduate Careers Australia, *GradStats – Employment and Salary Outcomes of Recent Higher Education Graduates* (December 2012), at http://www.graduatecareers.com.au/wp-content/uploads/2011/12/GCA-GradStats-2012_FINAL1.pdf

- Business: Tutorials and workshops delivered to Business studies students address topics such as: Locating & Using sources/Harvard Referencing, Group Report and Essay Writing, Making a start on Business Writing, Writing a Case Study Report, Writing a Critical Synopsis.
- Speech Pathology: ACU Speech Pathology lecturers are engaged in developing and presenting workshops and tutorials on a variety of topics, including: Writing an Annotated Bibliography, Search Strategies, Writing a Critical Review, Goal Reflection Student focused session, Choosing Sources; Using sources, Finding Your Voice.
- Business Law, Social Work, Theology, and Law students are offered tailored tutorials and workshops on academic writing and referencing.

As part of ACU's efforts to support quality teaching and to ensure that academic and teaching support staff are encouraged and actively able to enhance their teaching skills, ACU offers a Graduate Certificate in Higher Education (GCHE) to staff. The GCHE is a 40-credit point, fully online course open to any staff member who is a graduate and currently in a teaching or teaching-support role at ACU: some enrolments are also taken from staff in other tertiary institutions, particularly from partners such as the theological colleges. ACU actively encourages staff to undertake the course by funding scholarships to cover the course fees for all internal staff whose professional practice would benefit from the qualification, and by formally recognising 50 study hours per unit in workload allocation, incentives which are included under the overall teaching quality strategies in the Mission-based Compact between the Commonwealth and ACU 2011-13. The GCHE is taught by higher education specialists from ACU's Learning and Teaching Centre who draw on expertise across the institution and work from a curriculum that is continuously updated to meet practical challenges. The learning outcomes and benefits to staff are valued by Faculty heads, who can mandate the completion of some or all of the course as part of a staff member's probation. Completion of the GCHE is soon to be included in ACU's promotion policies as evidence of a staff member's professional practice and scholarship in learning and teaching. There are currently 117 students active in the GCHE.

While comparable to the professional qualifications in higher education offered by the learning centres in other universities, the GCHE plays a particular role at ACU in encouraging the development and dissemination of foundational good practice and innovation in teaching across ACU's seven campuses and online delivery, as well as across Faculties, with an influence beyond the teaching of the GCHE graduates themselves. Addressing the requirements of the demand driven system explicitly, one compulsory unit in the GCHE focuses on the diverse student cohorts and contexts of contemporary higher education; and each unit during the two-year, part-time schedule develops the participant's involvement in the scholarship of learning and teaching within their discipline and the wider University. Individual work-based projects initiated during the course are subject to peer/participant review and shared with other staff, including GCHE graduates; some initiatives have been further developed into teaching grants and faculty projects, presented at School and Faculty professional development events, and taken to peers beyond the University. Personal and professional links are made which support teaching improvement: the teams which have worked in cross-faculty or cross-campus groups during the GCHE often develop strong collaborative processes and relationships that continue beyond the course.

ACU has successfully grown its undergraduate enrolment and aims to support the academic success of a diverse student cohort. It has established a Taskforce for Student Achievement and retention which represents all ACU Faculties in the development of whole of university retention analysis and intervention programs. ACU has invested in the development of targeted retentions strategies including:

- Peer Assisted Study Sessions (PASS) Program
- Embedded transition pedagogy for Health Science students
- Post Enrolment Language Assessment Program (PELA)
- MYMath Lab for Business students
- Student Advisers
- Preparatory Professional Experience Module for Education students
- High Achievers talent program
- Staff Referral Guide to Student Services
- English Language Tutor Project
- Professional Experience Online Learning Program for Early Childhood students from a VET background
- First Year Enrichment Development

Recognising the varying needs and circumstances of a larger and more diverse student cohort under the demand driven system, ACU offers a variety of different types of academic support services to cater to the needs of students and to assist student learning. These include:

- **Academic Skills Services** are available on all campuses from Monday to Saturday and online resources and external support services 24/7.
- **Individual or group consultations** are offered to students to provide tailored learning assistance and to respond to individual student learning needs.
- **Drop-In services** are offered by ACU Student Support Services and libraries
- **Orientation Programs and Faculty Orientation Days:** All OSS student support services offer workshops during Orientation Week and Faculty Orientation Days. Academic Skills offer the following workshops: *Study Well Do, Well* sessions topics such as Academic Writing & Referencing workshops catered to specific disciplines. In 2013, ACU delivered a total of 131 hours of orientation programs to 10,270 students.
- **‘Away from Base’ residential week programs for Indigenous Students:** These programs include Academic Skills tutorial sessions and resources for Faculties of Education, Business, and Nursing & Midwifery. Topics include: Chicago Referencing, Academic Writing & Preparation, Academic Writing – Task Analysis & Structure, Academic Writing & Presentation, Exam Preparation, and Mathematics Support.
- **Weekly semester generic workshop programs** are offered by Academic Skills, Career Services and Student Counselling Service. In 2013, over 2,600 students accessed the generic academic skills workshops, with ACU’s Office of Student Success teaching over 330 hours of workshop programs. Workshop topics include: Time Management, Research (with Librarians), Group Work, Reflective Writing, Reading & Note Making, Language Punctuation and Grammar, Academic Writing, APA Referencing & Using Evidence, Exam Preparation & Maths: Decimals, Fractions, Significant Figures, Basic Maths Review, Introduction to Statistics, Fractions & Percentages, Decimals & Units of Measure, Basic Algebra, Stress Management, Resume Writing, Job Interviews, Resilience, Exam Preparation. The Student Counselling Service delivered approximately 110 workshops in 2013, with workshops ranging from 30 minutes to 3 hours on a variety of topics including: Being Focused, Maths Anxiety, Speech Pathology workshops, Getting the most out of Group Work; Relaxation Sessions; and Student Leadership.
- **Academic & Professional English Explored:** This eight week program focuses on developing student skills in academic and professional English, and communication skills with a focus on transition.
- **Grammar for Academic Purposes:** These programs provide students with opportunities to develop their spoken and written academic language skills. These free sessions are designed for both local and international students.
- **Orientation sessions on researching for assignments:** ACU is also planning to provide combined Orientation sessions, including *Researching to Assignment Writing* for non-recent school leavers, and sessions for Postgraduate Nursing Students – *Researching to Assignment Writing*.
- **Specialised learning support programs** that are delivered include:
 - ‘Head-start academic skills intensive’ - pre-Orientation sessions.
 - Pilot program, *Building Skills in Social Work* - developed in collaboration with Social Work lecturers and the ACU Academic Skills unit.
 - Academic Writing and Referencing, APA Referencing – a program developed in collaboration with the ACU Faculty of Arts & Sciences and Academic Skills in Clemente Program (the Clemente Program targets students from low socioeconomic and diverse backgrounds).
 - Tailored discipline-specific support for Health Sciences and Business students.
 - In 2013, 10,849 students accessed and utilised ACU’s discipline specific workshops, amounting to a total of 338 teaching hours in delivering these workshops.

Similar services to those above are catered to support ACU Equity Pathways and ACU Smart Students from diverse backgrounds.

6. SUPPORT PROVIDED TO LESS ACADEMICALLY PREPARED STUDENTS TO ASSIST THEM TO COMPLETE THE COURSE OF STUDY TO WHICH THEY HAVE BEEN ADMITTED

ACU has introduced a number of programs and strategies to support students who are less academically prepared. The objectives of these programs are to:

- Prepare students for success in academic and university life.
- Assist academics to design and teach courses that stimulate the best learning from cohorts that have diverse needs.
- Establish programs and activities where all areas of the university assist students in having the best possible university experience.
- Provide the means by which students achieve results that will provide them with opportunities for a successful future.

ACU runs a range of pre and post commencement activities for these students.

Pre commencement programs

The **ACU SMART** program, supported by HEPPP funding,¹¹³ increases student preparedness for university life and promotes academic success and retention. The Program, offered by invitation, was piloted in 2010. It is designed to ease the transition from school to university for equity background students with low ATARs. The initial eligibility criteria encompassed any commencing domestic undergraduate student with an entry score of 65 or below. In 2011, the criteria were broadened to include any commencing domestic undergraduate students from low SES, Indigenous, and/or disadvantaged backgrounds. The two to three day preparatory course is conducted on campus the week before Orientation week in an environment which is supportive, interactive and friendly. The course design results from consultation with ACU's TAFE partners, Academic Skills Unit and the Faculties. It includes a peer support system where present ACU students support small groups of ACU SMART students during their first year. ACU SMART also captures students from direct entry programs such as the Principals' Recommendation Program.

ACU SMART has proven to be a successful preparatory course to aid student success in their transition to university, with participants performing better than invited non-participants in their first semester of study. Between 2010 and 2012 a total of 457 students have participated in this program across the range of courses that ACU provides. From 2012 to 2013, there was a 47 per cent increase in the number of students participating in the program. Further work is being undertaken by ACU to explore options to enhance the course, provide additional ongoing support for students, and to co-ordinate with the relevant Faculties to provide supplementary oversight and support to students.

The **Student2student** program engages and employs present ACU students to play a support role in *ACUgate* and Attainment programs. These students are trained and supported by the Equity Pathways staff throughout their work

Post commencement initiatives

ACU has a number of initiatives and services available to students to help them succeed in their degree and complete their course.

The ACU Office of Student Success (OSS) provides students access to counselling, equity disability, careers, academic skills and campus life services. These areas of OSS work collaboratively with Equity Pathways in developing and supporting programs for student success throughout their time at university.

The ACU Learning and Teaching Centre (LTC) includes Learning Environment Online (LEO) and Information Technology, and works with ACU Equity Pathways to support students with their technological needs. The LTC are also active throughout the university in developing curriculum and teaching methodology to facilitate changing cohorts of students with diverse needs. Staff work to ensure that ACU resources and systems can properly and effectively accommodate students' changing circumstances and needs.

In addition ACU offers a range of initiatives to support equity pathways and ACU SMART students. These initiatives include:

- Workshop sessions to assist students to navigate through course content:
- Time Management and Academic Language workshop sessions for ACU SMART students.

¹¹³ Commonwealth Government Higher Education Participation and Partnerships Program (HEPPP).

- Developed activities and materials including *Academic Writing and Referencing Booklet*, materials for peer mentoring training.
- Academic skills workshops for Exercise Science, Nursing & Midwifery, & Education students, Year 12 Students (Challenges for New Students).
- Preparing for University and University Experience Day.
- Writing Your Way to Academic Success.
- Introduction to Academic Writing, the use of evidence and referencing.
- Sessions on Learning Expectations, Thinking about Study, and What to Expect at Uni.

Keeping track of students

As part of ACU's retention strategy, the university has embarked on a program to make contact with students who are identified as being at risk. In the first instance, new students who have failed units in their first semester are called and advised of support options that are available and have the opportunity to engage in discussion. Assistance is also provided to students who independently request support. Feedback received to date from students has been positive. In 2014 further work will be undertaken to ensure direct contact with commencing students to provide further support as they progress through their course. ACU's Taskforce for Student Achievement and Retention will also look at tracking and addressing other risk factors, such as students missing or failing an assignment, that may facilitate earlier intervention.

The office of the Academic Registrar works with the ACU Equity Pathways in developing and sustaining tracking mechanisms for the students who partake in the ACU SMART and the other academic success programs. The Academic Registrar and ACU Equity Pathways also work together to develop new systems and pathways to access the university.

7. OTHER OBSERVATIONS: DEMAND DRIVEN SYSTEM AND ECONOMIC DOWNTURN

The demand driven system also provides greater flexibility for the economy to immediately respond to periods of economic downturn. Having a demand driven system in place allows universities to expand to meet a market of people seeking to re-skill in a time of higher unemployment without waiting for the Commonwealth to offer additional places. Australia may be facing a period of economic down turn. The flexibility of the demand driven system, along with other measures will help absorb the impact of any future downturn.

The Pre-Election Economic and Fiscal Outlook (PEFO 2013) found that:

- The outlook for the global economy remains challenging with growth expected to remain well below trend at 3 per cent in 2013.
- Trade is “expected to decline by 5¾ per cent in 2013-14 and 3¾ per cent in 2014-15, returning them to around their 2009-10 level. The forecast decline in the terms of trade, alongside easing wage growth, is expected to lead to another two years of below average nominal GDP growth, of 3¾ per cent in 2013-14 and 4½ per cent in 2014-15.”
- Recent Treasury figures forecasting an unemployment rate of 6.25 per cent by mid-2014¹¹⁴, alongside other factors such as retail sales growth now being at a decade record low, and the current national burden of debt, the indication is that the economy is slowing. During times of economic downturn, individuals are more inclined to pursue higher education, to upgrade their skills and lift their qualifications.

The Bradley Review identified that in the context of a slowing economy, there is a stronger imperative to ensure access to higher education and support the development of a flexible workforce:

The spike in rates of unmet demand during the 1990 downturn indicates that the caps on places that existed at the time stopped greater growth in participation and attainment than would have otherwise been the case in a demand-driven system... in a tightly planned system the government faces the likelihood that action to increase places will lag behind peaks in demand... [A] demand-driven system is best able to use the cyclical changes to deliver improvements in the level of education of the Australian population.¹¹⁵

The demand driven system will be an important policy lever in a time of economic downturn.

¹¹⁴ Commonwealth of Australia, *Pre-Election Economic and Fiscal Outlook 2013* (August 2013), at http://www.treasury.gov.au/~media/Treasury/Publications%20and%20Media/Publications/2013/Pre-Election%20Economic%20and%20Fiscal%20Outlook%202013/Downloads/PDF/PEFO_2013.ashx; Hannan, E., and Karvelas, ‘Highest jobless rate since September 2002’, *The Australian*, at <http://www.theaustralian.com.au/national-affairs/election-2013/highest-jobless-rate-since-september-2002/story-fn9qr68y-1226690467820>.

¹¹⁵ Bradley Review, at 156.