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Senator Tony Sheldon Chair Senate Education and Employment Legislation Committee E: <u>eec.sen@aph.gov.au</u>

Dear Senator Sheldon

Questions on Notice responses from Group of Eight Deputy Chief Executive, Dr Matthew Brown

Senate inquiry – Universities Accord (Student Support and Other Measures) Bill 2024 – Public Hearing,

24 September 2024

Please find attached the responses to the Questions on Notice directed to me, Dr Matthew Brown, Deputy Chief Executive of the Group of Eight (Go8).

The following information therefore reflects what it was possible to provide in the time available noting that these are matters of ongoing discussion between the Department of Education and the sector.

Yours sincerely

DR MATTHEW BROWN
DEPUTY CHIEF EXECUTIVE



Universities Accord (Student Support and Other Measures) Bill 2024

Questions on notices to witnesses

Commonwealth Prac Payment

- 1. Universities will both apply for the Commonwealth Prac Payment on behalf of the student as well as distribute the payment to the student.
 - a. Were you consulted on the establishment of this payment and did you confirm that universities were willing to undertake the administrative operation of this payment?

The Go8 Directorate was not consulted on the establishment of the payment before the Bill was introduced to Parliament on 15 August 2024. At a meeting with Department of Education officials on 30 August 2024 to discuss the Commonwealth Prac Payments the Go8 Directorate indicated concerns that there had been no consultation on the threshold decision as to who should administer the payments and that universities were not best placed to do so.

It should be noted that the Government's website regarding this Budget measure posted in May indicated that there would be consultation with the sector and that it had already been determined that providers would make the payments for higher education students.¹

In the meeting of 30 August 2024 while not indicating that Go8 members would be willing to undertake the administrative operation of the CPP.

The Go8 submission to the Senate inquiry into the Bill reflects these Go8 concerns over the lack of consultation on the threshold decision that universities should administer the CPP and that universities are not best placed to do so.

b. Are you aware if your member universities were consulted directly and indicated they would be willing to administer this payment.

No Go8 member has reported being consulted directly in advance of the Bill being introduced into Parliament on 15 August 2024 nor indicated they would be willing to administer the payment and the majority indicated that Centrelink or another Government agency should administer the payments.

One Go8 member reports the only formal communication they have had with the Department of Education on the CPP is a data request received by the Vice-Chancellor on 30 August seeking data on student numbers and load by 8 October to assist with the Department's forward planning for this program.

¹ See https://www.education.gov.au/higher-education/commonwealth-prac-payment



Additionally, not all Go8 members have had university planning offices engaged in the ongoing consultation process.

c. In applying for a payment, for example with Centrelink, individuals are required to provide substantial personal information. In the case of this payment, students would be required at a minimum to provide proof of their ID, evidence they are in receipt of a Centrelink payment, at least 4 weeks of payslips to evidence the 'need to work' test and their bank details. Do universities have the right privacy protections and systems in place to safeguard this private and sensitive student information?

The privacy obligations that will apply to the personal information that would need to be collected to support this initiative are extensive. The personal information that will be needed for a university to assess students' eligibility and conduct any means testing is highly sensitive and would need to be collected at scale for large cohorts of placement students and payments likely allocated on a per confirmed placement basis. As placement confirmation and completion can often be complex and can frequently occur just prior to placement commencement, this adds additional layers of complexity to collection and processing arrangements.

To help manage this and adapt to changing requirements, the sensitive information about student financial situations would likely need to be collected in advance at enrolment or annually each year at reenrolment. This would likely lead to a range of unnecessary sensitive data collection, as sensitive information will need to be collected in circumstances where students do not find a placement position or where through a variety of circumstances, they do not complete a placement position. A university would therefore likely need to hold this information in situations where it is not required. A university may also need to deny applications for payments based on eligibility criteria that are still to be determined, which is likely then to require a substantial retention period for that information, for review and potential appeal processes.

The only systems that can currently manage this information at scale at key logical points in the student journey (to make the additional reporting/document provision as streamlined as possible for students and to make relevant information available to placement staff, as well as staff who need to make financial assessments and payments) are likely to be each university's key student system.

These large complex systems do have a range of safeguards and the functionality to collect and store sensitive personal information but they are generally not designed to collect and manage sensitive information of this type and to make it available to the variety of enrolment, placement and finance teams who would likely need to access this information in order to verify a placement, assess against eligibility criteria and then make appropriate payments.

These systems are also key integration points for all downstream systems used to support students and so data definition and configuration would need to be undertaken to ensure that sensitive information collected as part of these processes was not inadvertently passed to downstream systems or reporting environments or made available to staff without a direct need to know or have access to this sensitive personal information.



Aligning collection of this sensitive personal information to the student enrolment journey would also lead to the collection of information that may not be accurate at the time of placement, if a student's context has changed. This could lead to complex scenarios of requiring students to repay prac payments. Universities generally do not need to collect personal information about individual student's finances and therefore may need to build new systems and processes to assess potential fraud and deep fake documents, for example.

Universities do not generally collect sensitive information about government payments, salary and financial need of its students.

Administering CPP would likely require universities to make change to:

- Collect and retain evidence of current Centrelink payments, such as Youth Allowance for Students, Austudy and ABSTUDY
- Collect and retain employment details and evidence of paid work compensation, such as pay slips
- Collect evidence of the 'need to work', such as bank statements or personal statements
- Allow this evidence to be assessed by authorised staff according to eligibility criteria that are to be determined.
- Potentially collect information about students' parental or guardian income and actual means, for the purposes of means testing (noting that few details of the means testing requirements have been provided) and that currently students in receipt of Youth Allowance are subjected to a parental/guardian means and actual means tests until the age of 22.

It is currently unclear how long a university would be required to hold this information for, but the likely retention periods of 7 years after a student's graduation or 7 years after the payment was made are very extensive and would mean the University is holding this very sensitive information for long periods. Given the potential tax implications there will also need to be sensitive data sharing with the federal government, and this will require additional layers of security and process design.

While the above considerations would mean significant effort and resourcing to achieve appropriate data handling and privacy protection all Go8 members do have robust privacy policies in place.

d. In the instance of an ICT or security breach, what safeguards are in place and what recourse would be available to the students?

Go8 members have rigorous cyber security systems and invest heavily in its ability to protect all student information. However, the cyber risks facing all organisations are extensive and make comprehensive safeguarding of the security of personal information a constant challenge.



It has been reported to the Go8 Directorate that if an ICT or security breach were to occur and impact the information collected to support prac payments, it is expected that the resource available to students would likely come under the 2022 federal Privacy Act amendments that made breaches of Privacy Act requirements subject to potential breach fines of up to \$50 million dollars. As the prac payments are a federal government requirement and as universities would be performing these payment functions on the federal government's behalf, there could be joint liabilities under the federal data breach scheme and associated legislation. As a range of the information implicated in any potential breach would also be federal government identifiers such as Centrelink identifiers (which are often protected under their own specific legislation), breaches of this information would also be subject to the potential \$50 million penalties under the federal Privacy Act amendments.

e. Have you discussed with the department how compliance of the program will be managed and what universities role will be in managing compliance? If so, please provide details of the role universities will be required to undertake to manage compliance by students and for the overall program.

No Go8 member has reported such discussions to date.