

CHAPTER 8

PARTICIPATION IN HIGHER EDUCATION

Introduction

8.1 Equality of access to higher education has been the goal of successive Australian governments. While it has been widely recognised that it is in everyone's interests that all persons capable of benefiting from tertiary education should be encouraged to engage in it, it has also been recognised that not all do so. In order to enhance access in the 1950s, the Menzies Government introduced Commonwealth scholarships, which exempted holders from tuition fees and provided some with a means-tested living allowance. In the 1970s the Whitlam Government abolished entrance fees. But the socio-economic composition of the higher education student population did not change, broadly speaking.

8.2 Equality of access was again espoused in the 1991 publication, *A Fair Chance for All*,¹ and in the Higher Education Council's recommendations to advance this national framework.² Six groups were identified as being particularly disadvantaged in terms of their ability to participate successfully in higher education: those from socio-economically disadvantaged backgrounds; Aboriginal and Torres Strait Islanders; women in non-traditional courses; people from non-English-speaking backgrounds; people with disabilities; and people from rural and isolated areas.

8.3 In this chapter, the committee will consider the trends in higher education participation for the disadvantaged groups and for the wider population; it will consider what policies and extraneous circumstances may have affected participation rates; it will address in particular the financial implications of the Higher Education Contribution Scheme (HECS) and the changes to income support measures; and will discuss possible ways forward.

Recent trends in participation

8.4 The last decade has seen a huge increase in tertiary student numbers in Australia. In 1991, there were 504,880 non-overseas students enrolled in tertiary institutions in Australia; numbers steadily increased, reaching 603,156 in 1999 before dropping back slightly to 599,878 in 2000. This growth has been fairly evenly spread across all states and territories, roughly in proportion to population. Female enrolment has outstripped that of males, with 56.3 per cent of all higher education students being female in 2000. The proportion of students undertaking higher degrees has increased to 12 per cent in 2000. While research higher degree student numbers have increased

1 DEET and NBEET, *A Fair Chance for All: national and institutional planning for equity in higher education*, 1990.

2 Higher Education Council, *Equality, Diversity and Excellence*, 1996.

steadily, coursework higher degree numbers reached a peak in 1998 and have started to decline.³ Roughly double the numbers of all students study full-time as opposed to part-time; these figures have not changed significantly in the past decade, although the number of external students is increasing at the expense of full-time on-campus students.⁴

8.5 The age profile of higher education students has also changed. Whereas in 1991, 32 per cent of all commencing students who stated their age were less than 19, this had dropped to 27 per cent in 2000. For the corresponding period, the numbers of 'mature age' students (that is, those aged 30+) remained fairly constant at around 26 per cent.⁵

8.6 In terms of fields of study, health, law, business and science have seen the greatest increases in enrolments while education has declined.

8.7 Apart from the DETYA statistical collections, there has been a long-term monitoring project, the Longitudinal Surveys of Australian Youth, managed jointly by the Australian Council for Educational Research (ACER) and DETYA, which provides useful comparative data on participation rates amongst equity groups;⁶ additionally the universities themselves and in some cases student unions provided the committee with data on their own circumstances.

Students from low socio-economic backgrounds

8.8 The participation in higher education of students from socio-economically disadvantaged backgrounds has increased every year in absolute numbers since 1991. In that year, there were 73,715 such students; in 1999 there were 92,779; in 2000 there were 93,011.⁷ In terms of the proportion of the population of such students, however, it has remained at very similar levels: 15 per cent in 1991 and 14.7 per cent in 1999, with little fluctuation between those dates.

8.9 There is some variation in the socio-economic status (SES) participation rate amongst age groups. A DETYA review (which defined low socio-economic background as a home address postcode falling within the lowest 25 per cent of the population) pointed out that in 1997, 16 per cent of commencing students aged under 25 years and 13.5 per cent of those aged 25 and above fell into this category. Amongst the commencing under-25 cohort in that year, Tasmania had the highest percentage of low SES students (31.7 per cent), followed by Queensland (25.7 per cent), Western

3 DETYA, *Higher Education Students Time Series Tables, 2000*.

4 DETYA, *Higher Education Students Time Series Tables, 2000*, Table 1.

5 Derived from DETYA, *Higher Education Students Time Series Tables, 2000*, Table 4.

6 The most recent publication is Marks GN et al., *Patterns of Participation in Year 12 and Higher Education in Australia: Trends and Issues*, ACER Research Report No. 17, Dec 2000.

7 DETYA, *Students 2000*, Table 86.

Australia (19.4 per cent) and South Australia (19.1 per cent).⁸ Huge variations from one university to the next were recorded in the proportion of low SES students they attracted in 1997, ranging from a low of 5.4 per cent for recent school leavers at Macquarie University to a high of 40 per cent at Central Queensland University.⁹

8.10 Studies of the socio-economic composition of students frequently assess SES levels based on the postcode in which the family resides, a methodology chosen primarily for its convenience. Such data have been systematically gathered only over the last decade. What they show for the years 1989-1998 is that *commencing* 17-24 year old higher education students from postal areas containing the lowest SES population quartile represented a proportion of the student population of between 19.4 and 20.3 per cent, with no discernible trend.¹⁰ In this period, the number of commencing (non-overseas) students increased by 23 per cent; thus the additional opportunities provided were shared very broadly equally by students from low SES and other backgrounds.¹¹

8.11 The longitudinal study by Marks et al. considered parental occupation and parental education as indicators of SES. Participation in higher education measured by these variables showed that in 1989, 52 per cent of students from a professional family background had commenced tertiary study, compared with 20 per cent from an unskilled manual labouring background; by 1999 the respective figures were 47 and 25 per cent. The participation ratios of professional relative to unskilled manual backgrounds were 2.9 (1980), 4.2 (1984), 2.6 (1989), 2.6 (1994) and 1.9 (1999).¹² Persons whose parents had participated in higher education were considerably more likely to participate in higher education themselves. Fifty-eight per cent of cohort students with tertiary educated parents participated in higher education in 1989, compared with 26 per cent of students whose parents had no higher education; the respective figures for 1999 were 51 and 29 per cent. Overall, Marks concluded that participation in higher education is more a product of student literacy and numeracy than of social characteristics; but also, parental education had a stronger relationship with participation than did parental wealth.¹³

8.12 Australian census data from 1996 on the relationship between occupation and university participation are comparable with Marks et al.

8.13 Individual universities generally collect relevant data on SES status and Dr Bob Birrell and colleagues have analysed those from Monash and La Trobe

8 *Equity in Higher Education*, DETYA, 1999, p.36.

9 *Equity in Higher Education*, DETYA, 1999, p.8.

10 Andrews, op. cit., p.18.

11 Andrews, op. cit., p.18.

12 Marks GN et al., *Patterns of Participation in Year 12 and Higher Education in Australia: Trends and Issues*, ACER Research Report No. 17, Dec 2000, p.15.

13 Marks GN et al., *Patterns of Participation in Year 12 and Higher Education in Australia: Trends and Issues*, ACER Research Report No. 17, Dec 2000, p.28-30.

Universities in 1998. They found that 9.7 per cent of Monash commencing students and 8.3 per cent of La Trobe commencers came from households with fathers in manual occupations; yet men holding such jobs in Australia in May 1998 accounted for 24.9 per cent of all employed men.¹⁴

8.14 Regardless of the means of measuring SES status, the message seems to be clear: students from low SES backgrounds still do not participate in higher education in numbers proportional to their population numbers. This should not cloud the fact that they are nevertheless participating, and participating in greater numbers than ever before.

Aboriginal and Torres Strait Islanders

8.15 Aboriginal and Torres Strait Islanders comprised 0.8 per cent of the higher education student body in 1991, at a time when the census showed them to comprise 1.4 per cent of the Australian population. In actual numbers, there were 4,757 indigenous students.¹⁵ Their numbers rose to 7350 in 2000. By the 1999 census date, they represented a 1.3 per cent share of all students, and 78 per cent of what would be expected from this group's share of the general population.¹⁶ Their attrition rate is very high, with the proportion of *commencing* indigenous students in 1999 being 1.8 per cent. In the year 2000, however, the number of indigenous Australian commencing students dropped by 15.2 per cent, while the overall number of indigenous students dropped by 8.14 per cent. They now comprise 1.23 per cent of the domestic student cohort, the lowest such percentage since 1996.¹⁷

8.16 Award course completions by indigenous students rose steadily from 646 in 1992 to 1142 in 1998. Indigenous students are more likely than other students, however, to be involved in sub-degree courses and bridging courses. They represent only 0.9 per cent of all Australians commencing bachelor degree courses, principally in health, education and the arts, and 0.6 per cent of all students in postgraduate degrees.¹⁸

Women in non-traditional fields

8.17 Women have increasingly been involved in higher education: their participation rate in 1975 was 45.5 per cent; by 1989 it had reached 51.1 per cent; and in 2000 56.3 per cent of non-overseas students were women.¹⁹ While these changes appear impressive, it should be noted that part of the increase in participation is due to

14 Birrell B, Dobson IR and Smith TF, The new Youth Allowance and access to higher education, *People and Place*, 7(3) [1999/2000], p.25.

15 *Equity in Higher Education*, DETYA, 1999, p.57.

16 Kemp D, *Higher education: report for the 2001 to 2003 triennium*, DETYA, 2001, p.75.

17 NTEU Indigenous Tertiary Education Policy Committee, *Submission*, p.7.

18 DETYA, *Students 2000: selected higher education statistics*.

19 Derived from DETYA, *Higher Education Students Time Series Tables*, Table 14.

the transfer of nursing education from hospitals to higher education institutions. The concerns about participation levels expressed in 1990 related particularly to the under-representation of women in scientific and mathematical fields and in postgraduate study.

8.18 From equity data compiled by DETYA, commencing non-overseas women students in all non-traditional areas rose steadily from 32,054 in 1991 to 46,602; numbers dropped very slightly to 46,350 in 2000. When all non-overseas students are considered, the trend is the same, with a steady rise from 80,278 in 1999 to 125,619 in 1999; followed by a drop to 125,376 in 2000.²⁰

8.19 In this equity field, the policies to redress the gender balance appear to have borne fruit. Whereas in 1988 7.8 per cent of engineering students were women, by 1999 that had risen to 14.6 per cent; in architecture women's participation rate reached 36.2 per cent by 1999. At the postgraduate level, 52.6 per cent of students undertaking higher degrees by coursework and 48.6 per cent of students undertaking higher degrees by research in 1999 were women, compared with 34 per cent in 1988.²¹ Universities vary considerably in the proportions of women they enrol in non-traditional courses suggesting that some local equity initiatives are more successful than others.

Students from non-English-speaking backgrounds

8.20 Data on the participation of persons from non-English-speaking backgrounds (NESB) in higher education were not routinely collected until 1989. What was clear in 1990 was that different NESBs were represented unequally and particular disadvantage was experienced by newly-arrived persons.²² NESB students, defined as those born overseas and who arrived in Australia fewer than ten years ago, now have a slightly higher rate of access to higher education than the rest of the population. They represented 4.3 per cent of the student population in 1991; in 1997, 5.1 per cent; and in 1999, 4.2 per cent. Overall numbers of NESB students in higher education have dropped since 1996 from 32,179 to 23,674 in 2000.

8.21 Two major equity concerns remain in relation to NESB students. Participation by some sub-groups remains relatively low. Participation also depends heavily on location. Given the distribution of the NESB population, it is not surprising to find that urban universities in State capitals continue to have much higher participation rates than regional universities. Again, however, the level of NESB participation varies considerably between institutions. The University of New South Wales led the way, with 16.5 per cent of commencing students in 1997 being NESB, when the proportion of that equity group in the population was 6.7 per cent.²³ There is some

20 DETYA, *Students 2000*, Table 86.

21 Statistics drawn from DEET, *A Fair Chance for All*, 1990 and various DETYA triennium reports.

22 DEET, *A Fair Chance for All*, 1990, p.36.

23 DETYA, *Equity in Higher Education*, 1999, p.25.

evidence that NESB retention rates are higher in institutions with more NESB students.²⁴

Students with disabilities

8.22 Again, data on participation rates for disabled students are patchy in the period before the late 1980s. One study was reported as showing that the total proportion of students with disabilities at post-secondary institutions in 1981 was 0.17 per cent.²⁵ By 1997, it had reached 2.4 per cent, compared with 4 per cent of the relevant population group;²⁶ and by 1999, 2.9 per cent.²⁷ In absolute numbers, there were 11,656 disabled students enrolled in 1996; by 2000 there were 18,926.²⁸ Despite the consistent growth, the proportion of disabled students in higher education is still below their share of the general population.

8.23 There is huge variation between universities in terms of participation of the disabled. In 1997 Southern Cross University had the highest proportion (9.1 per cent) of commencing students with a disability. It is recognised that the needs of this group of students vary considerably, depending on the nature of their disabilities, and not all institutions are equally able to cater for all disabled students, in financial or other terms.

Students from rural and isolated areas

8.24 The number of students from rural and isolated backgrounds in higher education has steadily risen in the last decade from a little over 100,000 in 1991 to 122,132 in 2000. Students from an isolated background represented 9.2 per cent of combined rural or isolated numbers in 2000 and in absolute numbers they have varied very little since 1995. As a percentage of all commencing students in 1997, however, at a national level students from rural and isolated backgrounds had a low rate of access (18.3 per cent) relative to their population share (24.3 per cent). The proportions vary considerably from state to state, with 41.1 per cent of commencing students in Tasmania in 1997 being from a rural background (relative to 55.3 per cent in the population) and 29.4 per cent in Queensland (relative to 36.8 per cent).

8.25 Looking at the statistics another way, and based on location of students before they left the parental home, participation rates for 19 to 21 year olds based on 1996 census data showed 26.6 per cent metropolitan participation as compared with 18.8 per cent non-metropolitan.²⁹ For the six regions classified as remote in this study by

24 DETYA, *Equity in Higher Education*, 1999, p.25.

25 As quoted in DEET, *A Fair Chance for All*, 1990, p.41.

26 DETYA, *Equity in Higher Education*, 1999, p.11.

27 Kemp D, *Higher education: report for the 2001 to 2003 triennium*, DETYA, 2001, p.82.

28 DETYA, *Students 2000*, Table 86.

29 Stevenson S, Maclachlan M and Karmel T, *Regional Participation in Higher Education and the Distribution of Higher Education Resources across Regions*, DETYA, 1999, p.5.

Stevenson and colleagues, the higher education participation rate was 9.6 per cent. The researchers noted that there was a huge range in regional participation rates, from 3.5 to 64.2 per cent.³⁰

8.26 Not surprisingly, rural universities enjoyed a high percentage of commencing students from a rural background: in 1997, the University of Ballarat had 69.2 per cent; Central Queensland University 68.6 per cent; Southern Cross University 53.8 per cent; Charles Sturt university 43.9 per cent; and the University of New England 40.3 per cent.³¹ Metropolitan universities have correspondingly lower proportions of rural students.

8.27 The Stevenson study modelled university participation rates at the regional level to explore the importance of access and SES in participation rate variations. It found a statistically significant difference, but of only one per cent, in non-metropolitan and metropolitan participation rates; 4.6 percentage points of difference were explained by SES. That study concluded that:

Fundamentally it appears that overall perceptions of the value of university education need to change in non-metropolitan regions before participation rates could approach those of metropolitan regions.³²

8.28 A representative of one of the more isolated areas, Mr Jaensch of the Cradle Coast Authority, told the Committee that while the north-west and west coast regions of Tasmania were statistically amongst the two or three lowest participation rate areas in Australia, it was not isolation per se that affected participation. By the use of innovative participation programs and the development of places of excellence in specific fields relevant to local economies, it was possible to turn that around.

General conclusions on participation

8.29 From the above figures, one can conclude that the various policy changes over the past decade or so have had some success in attracting more women and more students from non-English speaking backgrounds to higher education. Trends in participation in tertiary studies by regional students are more difficult to determine, as many regional campuses have opened up in the intervening years and distance education is on the increase. Indigenous commencing students increased in numbers and as a proportion of the population until recently, when they suffered a serious drop. And, despite the considerable increase in numbers of students enrolled in higher education since the late 1980s, the proportion of students coming from lower socio-economic backgrounds has remained virtually the same.

30 Stevenson S, Maclachlan M and Karmel T, *Regional Participation in Higher Education and the Distribution of Higher Education Resources across Regions*, DETYA, 1999, p.4.

31 DETYA, *Equity in Higher Education*, 1999, p.29.

32 Stevenson S et al., *Access: Effect of campus proximity and socio-economic status on university participation rates in regions*, DETYA, 2000, p.16.

8.30 As some researchers have pointed out, the position may in fact be worse than the DETYA statistics indicate. SES is measured for convenience by postcode data of students' home addresses, and is based on an index developed by the Australian Bureau of Statistics of occupation and educational characteristics of adults from each postcode. Some students from low SES areas may come from relatively affluent families within those areas, thus distorting the findings.³³

8.31 The problems with the use of postcodes as an indicator of SES have been widely recognised. In his submission to the committee, Professor Simon Marginson of Monash University outlined why:

First, the socio-economic composition of postcodes is subject to change over time, and over decades these changes can be very marked (for example, in the case of gentrifying inner-city suburbs). Second, there are significant internal variations within all postcode districts. The aggregating of data from within a postcode creates an averaging effect. Yet variations may be greater in some districts than others; and student participation may be more selective in one postcode district than another.³⁴

8.32 A 1997 review of access to higher education in Queensland by Western and colleagues³⁵ examined alternative methods of identifying students from low socio-economic, rural and isolated backgrounds. By developing measures based on the characteristics of individual students rather than the characteristics of the area in which they reside, Western et al. showed that parental occupation and education levels correlated more closely with student higher education enrolment than did household income, a finding which supported the outcomes of previous ACER studies.³⁶ The implications of these findings for higher education policy are considered later in this chapter.

Recommendation Thirty-Four

The Committee recommends that the Government examine new ways of encouraging the participation in higher education of educationally disadvantaged Australians, particularly indigenous students.

Eligibility issues

8.33 The first hurdle in the path to participation in higher education is eligibility. As the majority of commencements in higher education come from the ranks of school leavers, the committee will concentrate its discussion on this group, while recognising

33 Birrell B, Dobson IR and Smith TF, 'The new Youth Allowance and access to higher education', *People and Place*, 7(3), 1999, p.20, as provided in Submission 130.

34 Submission 81, Professor Simon Marginson, p.20.

35 Western J, McMillan J and Durrington D, *Differential Access to Higher Education: the measurement of socioeconomic status, rurality and isolation*. Canberra: DEETYA, 1998.

36 William T et al. *Entering Higher Education in the 1980s*. Canberra: AGPS, 1993, as cited in Birrell, Submission 130.

that higher education institutions have made considerable progress in facilitating transfers from the VET field and in recognising other attributes of mature-age entrants. With limits on the number of places they can offer, universities try to distribute them fairly among applicants using various ranking mechanisms and by quarantining places for 'priority' applicants.

8.34 For school leavers, access to higher education generally requires a tertiary entrance score (or equivalent) above the individual university-established cut-off point. For the courses in highest demand at universities of highest standing, this may be well over 99. A quite low score, relatively speaking, may still provide access to certain courses. In 2000, a tertiary entrance score of below 60 was all that was required for entry to at least one university somewhere in Australia for all courses except law, medicine, pharmacy, rehabilitation and veterinary science.³⁷

8.35 This has been deplored as proof positive of an unfortunate drop in standards. As the Australian Vice-Chancellors' Committee indicated, however, the academic ability (as measured by Year 12 university entrance scores) of those applying for entry must be different from that of the 1970s and 1980s because of the numbers of students involved. It accepts as inevitable the lowered entry standards in a world in which everyday life and most jobs are becoming more complex:

To do otherwise would be to impose out of date standards and potentially limit access to university education for many people capable of gaining from it.³⁸

8.36 Even given this acknowledged lowering of the bar in terms of entry standards, it proves too high for some. And here, equity considerations again intervene. Successful completion of Year 12 and achievement of a competitive tertiary entrance score has been variously shown to be highly correlated with high parental wealth, parental tertiary education, and parental professional occupation. While there is some evidence that these influences are lessening, they are still highly influential in determining participation in higher education.

8.37 A study by Dr Birrell and colleagues of the schooling background and secondary academic success of 1999 Victorian university enrolments showed that some 67 per cent of independent school students scored in the 80+ university entrance score category, compared with 47 per cent of Catholic school students, 44 per cent of government school students and 34 per cent of TAFE students. Of the 45,364 students enrolled in Year 12 at Victorian schools in 1998, 58.6 per cent were in government schools, 22.5 per cent were in Catholic schools and 18.8 per cent were in other schools, primarily independent schools; the breakdown of enrolments in Victorian universities of students who had been at school in 1998 was 47.5 per cent from the

37 Ashenden D and Milligan S, *The Good Universities Guide: universities, TAFE and private colleges in 2000*.

38 Submission 315, AVCC, p. 8.

government sector, 25.7 per cent from the Catholic sector and 25.1 per cent from independent schools.³⁹ The message is clearly that prior attendance at an independent school is strongly correlated with participation in higher education. Whether it also implies that governments wishing to promote more equitable access to higher education should pay greater attention to secondary schooling is open to debate.

8.38 Eligibility is a particular issue for indigenous students, despite the specific access provisions operated for them by many universities. Then shadow minister for education in the Northern Territory, Dr Peter Toyne, made the point that when you have some 12,000 compulsory aged students not in school, as has been estimated to be the case in the Northern Territory, your supply of higher education applicants is likely to be limited.⁴⁰ Inevitably the question arises as to whether the most appropriate public policy response is to address secondary school retention issues or to provide additional assistance to those few indigenous students who make it to higher education.

Demand versus availability

8.39 Being eligible for higher education does not necessarily lead to participation in higher education. Statistics on the numbers of eligible applicants for undergraduate higher education entry and on the numbers not receiving an offer of a place are collated annually by the Australian Vice-Chancellors' Committee. The data so presented are drawn from information supplied by university admission centres and, in order to come up with a realistic estimate of figures for unsuccessful applicants across the board, the AVCC has had to develop a 'discounting' methodology to cover the cross-centre results. Total eligible commencing undergraduate applicants have stabilised in recent years: in 2000, at 214,232; in 2001 at 212,596. The figures for unsuccessful applicants are presented as ranges, from 11,800-17,500 in 2000; from 12,600-16,800 in 2001.⁴¹ Taking the worst case scenario, this represents an apparent current level of unmet demand of 7.8 per cent.

8.40 Demand for university places is not even across the country. The Tasmanian Government submitted that it had clear evidence of increasing demand for student places and that there were too few Commonwealth-funded places in Tasmanian tertiary institutions, based on historical statistics of relatively poor Year 12 retention rates in Tasmania. As a result the University of Tasmania normally rejects more than 1000 applications, many from persons qualified for entry, because it does not have the places; it also regularly overenrols students, by more than 200 EFTSU in 2000. Further, some 2500 (or 18.7 per cent) of Tasmanians study interstate (against a

39 Birrell B et al. 'Equity in Access to Higher Education Revisited', *People and Place*, 8(1) 2000, pp.59-60, as provided in Submission 130.

40 Dr Peter Toyne (NT Legislative Assembly), *Hansard*, Darwin, 30 April 2001, p.231.

41 AVCC, *Survey of Applicants for Higher Education Places*, 2000, 2001.

national average of 9.4 per cent of students studying interstate), though only 25 per cent of these students are enrolled in courses not offered in Tasmania.⁴²

8.41 Other evidence suggests that demand may be influenced by whether tertiary places are available in the locality. Australian students appear, by and large, to have an aversion to studying far from home, as the DETYA statistics on permanent home residence and state of institution of study show.⁴³ Professor Paul Adam of ANZAAS described this as a 'culture of stasis'.⁴⁴

8.42 There are many possible reasons for students' failure to contemplate moving far from home to study. If staying at home while studying is an option, it probably represents the cheapest solution, while also possibly providing family and community support for the student. For students with family commitments, the nearest university - or at the very least, one within the same metropolitan area - is probably the *only* option apart from external studies. This factor may provide a level of 'captive' clientele for small and regional universities, as the Northern Territory University Student Union representative, Mr Kieran Phillips, told the committee;⁴⁵ it may also deter others from seeking entry in the first place if the local tertiary institution does not offer the desired courses.

8.43 As the number of fully funded domestic student places stabilised in the 1990s, prospective students must now compete for a finite number of places, unless they are able to pay full fees. Local students filling the equivalent of 2647 places did so in 2000, an increase of nearly 50 per cent over the previous year's figure. Not all universities offer full-fee-paying places, as a matter of principle, as it has been suggested that there was the risk of unmerited favourable assessment of such students, to ensure their continuation in the system. Professor John Niland, Vice-Chancellor of UNSW, countered this by indicating that of the roughly 250 such undergraduate students he admits, the majority perform at high level and transfer to HECS places the following year.⁴⁶

8.44 Apart from the supply issues described above, many other factors affect demand for higher education. The vexed question of why equally talented Year 12 students choose to pursue or not to pursue tertiary studies has been subjected to considerable analysis. It has been regularly confirmed that participation in higher education is more likely for children of tertiary-educated parents in professional occupations. It is regularly asserted that such parents are generally more affluent than the norm, and have higher expectations for their offspring, who tend on the whole to associate with peers from similar backgrounds and with similar aspirations. Other

42 *Submission*, p.15.

43 DETYA, *Students 2000*.

44 Associate Professor Paul Adam (ANZAAS), *Hansard*, Sydney, 17 July 2001, p.926.

45 Mr Kieran Phillips (NTU Students' Union), *Hansard*, Darwin, 30 April 2001, p.242.

46 Professor John Niland (UNSW), *Hansard*, Sydney, 17 July 2001, p.943.

determining factors may well be the state of the labour market for school leavers and graduates alike, factors we now consider.

Labour market issues

8.45 Participation or non-participation in higher education depends in no small part on the alternatives on offer and, particularly, the likelihood of ability to participate in the paid workforce. The work by Lewis and Crockett⁴⁷ threw some light on this issue. Their research presented striking evidence of the collapse of the full-time youth labour market in the last 20 years. Since 1980, the proportion of 15-19 year-olds in full-time employment has declined by over half; in 1996 this figure stood at 18 per cent. This presents a major shift in post-schooling options for teenagers. While part-time work has become increasingly available, it is generally undertaken in conjunction with, and not as substitution for, study. In 1995, full-time students accounted for some 80 per cent of all part-time employment amongst teenagers.⁴⁸

8.46 Changes in the labour market for 20-24 year-olds mirrored those of the junior youth market: full-time employment as a proportion of this population declined from 65.6 per cent in 1985 to 55.2 per cent in 1996⁴⁹ and 54.8 per cent in 2000.⁵⁰

8.47 Other factors, such as the level of wages, the availability and level of unemployment benefits and conditions imposed, and the financial assistance offered to support students to continue with their studies, were examined by Lewis and Crockett, whose findings were consonant with intuition and previous research - namely that full-time employment (or lack thereof) was the strongest determinant of school and university participation.

8.48 While the 'discouraged worker' effect is intuitively appealing as a partial explanation for participation in higher education, an alternative explanation is the 'human capital' theory: that the (financial) rate of return to education is the paramount consideration in the decision to continue with further studies. Some partial evidence for the immediate 'rate of return' to a degree has been measured by the Graduate Careers Council of Australia (GCCA) in terms of new graduate employment rates and starting salaries. While acknowledging that the state of the overall labour market impinges on graduate employment, the GCCA has found that the full-time employment rate for new graduates has risen steadily since 1997; in 2000, 83.6 per cent of bachelor degree graduates available for full-time employment were so employed within four months of completing their degrees and only 6.7 per cent were not working at all.⁵¹ This compares favourably with a total workforce participation

47 Lewis P and Crockett G, *Short-Term Forecasting of the Demand for University Places*, DEETYA, 1998.

48 *ibid.*, p.96.

49 *ibid.*

50 ABS, *Transition from Education to Work, Australia*, Cat. 6227.0, 2000, p.12.

51 Kemp, D, *Higher education: report for the 2001 to 2003 triennium*, DETYA, 2001, p.34.

rate of 74.8 per cent at that time.⁵² The GCCA also reported an increase in graduate starting salaries since 1998, to an average level of \$33,000 in 2000 or 84.2 per cent of average weekly wages.⁵³

8.49 The influence of the labour market on participation in postgraduate studies is less clear. It was regularly suggested to the committee - and is intuitively likely - that relative academic salary declines probably affected the quality of staff and the interests of talented students pursuing PhDs and academic careers.⁵⁴

Economic issues

8.50 It is self-evident that in order to undertake tertiary studies, students need to be able to meet the tuition fees and to have a source of income. Equally self-evidently, that can come from one of four broad sources, or some combination thereof: government support, through HECS, Youth Allowance, Austudy, ABSTUDY et cetera; parental support; employer or scholarship support; or work.

8.51 Whether society or the individual is the greater beneficiary of higher education was an issue canvassed at length during the Committee's inquiry. Both clearly benefit; however, there is unlikely ever to be consensus as to the extent to which each benefits and hence on the relative amount of personal and societal contribution required for individual participation in higher education. The committee, pragmatically, has taken the decision that the present system of income-contingent fee payment and means-tested income support, despite its imperfections, is probably the best compromise we can reach. This does not suggest, however, that it is incapable of fine-tuning, a matter which we address in the remainder of this chapter.

8.52 Student associations all had first-hand evidence which they shared with the committee concerning the economic circumstances of students, once enrolled. Most would agree with the following broad assessment:

It is the experience of the UQ Union that economic factors are one of the most significant issues impacting on access and participation rates at public Universities. The introduction of the HECS and other fees schemes, as well as the inadequacy and inflexibility of student income support measures, have combined to place Higher Education participation outside the reach of many students and potential students from low income families.⁵⁵

8.53 Empirical evidence of the extent of parental support, either by way of payment of HECS or in the form of living allowances or accommodation, was not provided to the Committee. Nor is it a matter, by and large, which public policy can influence. Scholarships are another matter entirely and the committee was heartened

52 ABS, *Transition from Education to Work, Australia*, Cat. 6227.0, 2000, p.13.

53 Kemp, D, *Higher education: report for the 2001 to 2003 triennium*, DETYA, 2001, p.35.

54 See, for example, Submission 217, Professor Bruce Chapman, p.7.

55 Submission 53, University of Queensland Union, p.13.

to hear of the number of universities which offered free tuition and/or income support or accommodation to financially challenged students on the basis of merit or equity-group membership, or both.⁵⁶ The exact extent of the practice and its distribution across the university spectrum is unclear.

8.54 Table 8.1 shows the breakdown by source of funding of undergraduate places, and illustrates the dependence of the sector on HECS.

Table 8.1 Undergraduate places by source of funding

	1999	2000
Commonwealth funded, HECS liable	381824	380591
Commonwealth funded, HECS exempt	3933	2930
Fee paying domestic	1785	2647
Employer funded	1597	2072
Fee paying overseas	52462	60323

Source: Higher Education - Report for the 2001 to 2003 triennium.

8.55 Fees and income support present students and policy makers with two quite separate economic challenges, which we consider separately.

Higher Education Contribution Scheme

8.56 Since 1989, students who are Australian citizens or Australian residents in Commonwealth-funded university places have, with a few exceptions, been required to contribute to the cost of their education via the Higher Education Contribution Scheme (HECS). When introduced, the purpose of HECS was in part to help fund an expansion of the higher education sector and in part to ensure that the beneficiaries of higher education contributed to the cost of its provision. Students could pay their contribution up-front each year or defer their payment until their income exceeded a certain threshold (set at average weekly earnings), at which time repayments began through the taxation system.

8.57 At the time of its introduction, HECS was preferred over student loan schemes and vouchers as the most equitable means of ensuring financial contributions to their education from all students without disadvantaging any. The capacity to defer contributions and the income-contingent nature of repayments was intended to ensure

56 See, for example, Dr Martyn Forrest (Tasmanian Government), *Hansard*, 26 April 2001, Hobart, p.197.

that students from low socio-economic groups would not be prevented from entering higher education.

8.58 When it was introduced, HECS was levied as a flat rate across all courses. It represented about 36 per cent of the cost of an arts course but only 13 per cent of the cost of a medicine course.⁵⁷

8.59 Major changes were made to HECS following the change of Government in 1996. A differential HECS contribution was introduced, based on the cost of delivering the course and the average earning potential of graduates from those disciplines. Three bands were created: HECS Band 1, for low cost course or courses with low earning potential, such as arts, education and nursing; HECS Band 2, for medium cost, medium earning capacity disciplines such as science, engineering, architecture and economics; and HECS Band 3, for high cost, high earning courses including law, medicine and veterinary science. Contribution rates were \$3,300, \$4,700 and \$5,500 respectively, up by approximately 30 per cent, 90 per cent and 120 per cent respectively over the previous rate. For 2001, the respective rates were \$3,521, \$5,015 and \$5,870 per annum.

8.60 Another change was the lowering for the 1997-98 financial year of the income threshold at which repayments were required. In the 2000-01 financial year, students had to begin to repay their loan at a rate of 3 per cent of their taxable income once their income reached \$22,346, with the repayment rate increasing to 6 per cent at incomes of \$40,224 and above. These amounts increase each year in line with changes in general earnings.

8.61 HECS can be paid up-front, with a 25 per cent discount, rather than being deferred. The number of students choosing the up-front payment option is steadily declining: in 1998, some 61,164 full-time students did so; in 1999, 58,863; in 2000, 56,013. The trend is similar for part-time students. In 2000, 19 per cent of full-time students, 27 per cent of part-time students and 36 per cent of external students paid HECS up-front.⁵⁸ Possible explanations for this trend include the rising cost of HECS, or an increasing acceptance of HECS deferral.

8.62 In his analysis of the effects of HECS, Andrews found a slight (between 5 and 7 per cent) reduction in numbers of higher education applications from school leavers following the introduction of HECS in 1989.⁵⁹ A Higher Education Council 1991 attitudinal survey (which specifically targeted disadvantaged groups) found that for school leavers, HECS was a low ranking factor in their decision not to go on to higher education, while for those intending to undertake higher education or undecided about whether to do so, HECS ranked behind academic factors and more pressing economic

57 Andrews, L. *Does HECS deter? : Factors affecting university participation by low SES groups*. Canberra: DETYA, 1999, p.10.

58 Kemp, D, *Higher education: report for the 2001 to 2003 triennium*, DETYA, 2001, p.96.

59 Andrews, op. cit., pp.11-12.

factors in their decision making. Andrews reached the conclusion, from this and other attitudinal studies, that there was no compelling support for the view that HECS was a decisive factor in reducing the higher education participation of students from low SES backgrounds.⁶⁰

8.63 Student unions, by and large, take a different view. Those which expressed a view on the matter to the committee all advocated fee-free tertiary education and the abolition of HECS.⁶¹ They did so on the grounds that education was a public good and should therefore be supported by the public. When pressed, some conceded that HECS was better than up-front fees or student vouchers.⁶² Others took issue with the finding of a lack of deterrent effect from HECS as found by the Andrews study, pointing to the pronounced drop in numbers of mature age students following the introduction of a differential HECS. The economic realities spoke more persuasively to most other submitters, however. HECS liabilities as a proportion of operating grants had reached 31 per cent in 1999,⁶³ without which, realistically, many universities would be hard-pressed to survive.

8.64 In a partial recognition of the fact that HECS might deter some students, the Government introduced, in 1997, the Higher Education Equity Merit Scholarship Scheme (HEEMSS) to 'further encourage the participation of equity groups.'⁶⁴ One thousand commencing students each year were to be exempted from the HECS charge, with scholarships being allocated to each university on the basis of their numbers of Australian undergraduates. Over the first two years, the distribution of scholarships by category of disadvantage was as follows:

60 Andrews, *op. cit.*, p.13.

61 See, for example, Melbourne University Students Union, *Hansard*, p.452; University of Tasmania Students Union, *Hansard*, p.127; University of Queensland Student Union, *Hansard*, p.75.

62 See, for example, Juliana Virine, President of the University of Queensland Student Union, *Hansard*, p. 65.

63 Kemp, the Hon. D, *Higher education: report for the 2001 to 2003 triennium*, DETYA, 2001, p.97.

64 1996-97 Higher Education Budget Statement.

Table 8.2 HEEMSS recipients by category of disadvantage⁶⁵

<i>Category of recipient</i>	<i>Number</i>
Indigenous Australians	199
Women in non-traditional areas	109
People with a disability	149
People from non-English speaking backgrounds	188
People from rural and isolated areas	375
People from low socio-economic backgrounds	1127

Note: Recipients may fall into more than one category of disadvantage.

8.65 After three years, however, the scheme was discontinued, although existing scholarships were not affected. An informal DETYA survey suggested that the scheme was ineffectual in attracting into higher education people who might not otherwise engage in it, partly because young people did not value a HECS exemption.⁶⁶

8.66 Many universities have instituted or continued their own scholarship schemes in its place, though, as Professor David Gardiner of the Queensland University of Technology suggested, 'to be serious about redressing access and socio-economic disadvantage...a lot more needs to be done and by government.'⁶⁷

8.67 It has been suggested that students might be unwilling to incur a HECS debt because of a general aversion to debt. Andrews discounted this, on the fairly persuasive grounds that the level of debt of Australian society as a whole has increased substantially in recent years, from 14 per cent of personal income in 1980 to 21 per cent in 1997.⁶⁸

8.68 Rather than question the existence of HECS, the committee concentrated on other matters: whether the present HECS levels are appropriate; the impact of a

65 Jackson, K, Higher Education Funding Amendment Bill 1999, *Bills Digest 39, 1999-2000*, Parliamentary Library, 1999, p.5.

66 Jackson, K, Higher Education Funding Amendment Bill 1999, *Bills Digest 39, 1999-2000*, Parliamentary Library, 1999, p.5.

67 Professor Gavid Gardiner (QUT), *Hansard*, Brisbane, 22 March 2001, p.105.

68 Andrews, op. cit., p.14.

differential HECS; and whether the revised income level at which repayments commence is appropriate.

HECS levels

8.69 The increase in HECS levels in recent years has not been accompanied by decreasing applications for tertiary places in all disciplines, though as we have noted, specific groups may have been more affected than others. Nevertheless there seems to be broad agreement with Professor Ruth Dunkin, Vice-Chancellor of RMIT, who suggested that there was no further capacity to increase the burden on students in terms of their providing funding towards their education.⁶⁹

8.70 Some concern was expressed that HECS combined with the newly introduced postgraduate loans discussed below might represent too high a debt load to be acceptable to students or wise for the public purse. This is a matter of some concern to the committee.

The impact of a differential HECS

8.71 A differential HECS based in part on course costs and in part on likely postgraduate income implies a degree of cross-subsidisation. Those involved in the higher-cost disciplines not unexpectedly found problems with the scheme.

8.72 The placing of law in the highest charge band (Band 3) attracted considerable criticism. Law is generally regarded as a relatively inexpensive course to offer, therefore its Band 3 status implies higher postgraduate incomes. The law deans suggested that large HECS debts would force law graduates into highly remunerated corporate law careers at the expense of less well-paid positions in community legal centres and involvement in 'personal plight' lawyering.⁷⁰ Professor Paul Fairall admitted, however, that the advent of a differential HECS had not impacted on the continued growth in total law student numbers, which suggests to the committee that there will be sufficient graduates to fill the variously remunerated legal positions.

8.73 Science was another field where some adverse impact from a differential HECS was feared. A University of Queensland Union representative, Mr Ben McMillan, told the committee of the 'enormous' impact on students of the differential HECS, suggesting that students were turning away from courses such as chemistry, entomology and zoology which are rated HECS Band 2, but which do not have the earning capacity of, say, civil engineering which is also rated Band 2.⁷¹ The deans of science agreed. Professor William MacGillivray, President of their Council, stated that

69 Professor Ruth Dunkin (RMIT), *Hansard*, Melbourne, 15 May 2001, p.499; see also Professor Peter Laver, p.293; Professor Ian Chubb, p.985.

70 Professor Paul Fairall, *Hansard*, Townsville, 12 July 2001, p.864.

71 Mr Ben McMillan (UQ Student Union), *Hansard*, Brisbane, 22 March 2001, p.67.

students were opting for generic business or arts degrees in preference to generic science degrees 'because it is cheaper'.⁷²

8.74 It is unclear whether a differential HECS impacts differentially on students from a low SES background or other equity groups. Andrews found that the proportion of students from low SES backgrounds undertaking Band 3 courses such as law and medicine varied only slightly in the years since the differential rate was introduced, from 13.2 per cent in 1997 to 12.3 per cent in 1998.⁷³ It has been widely recognised that low SES background is associated with differences in fields of study, differences which predate HECS. A 1984 Commonwealth Department of Education survey, for example, showed that over three quarters of veterinary science and law students had fathers who worked in professional or managerial occupations.⁷⁴ It seems to date that a differential HECS does not exacerbate this tendency.

8.75 In his analysis of the effects of HECS following the differential rate changes, Andrews found a slight (between 5 and 7 per cent) drop in the level of applications from mature age students.⁷⁵ A similar finding was remarked on by many student associations.

The repayment threshold

8.76 When HECS was instituted, repayments were scheduled to begin when the recipient's income reached average weekly earnings. They now begin, as noted above, at \$22,346, a level described by Professor Bruce Chapman as 'a little ungenerous'.⁷⁶ Amongst others, Dr Howard Guille of the NTEU suggested that by dropping the HECS repayment threshold to below average weekly earnings, 'you are actually making people pay before they have got any private benefit'.⁷⁷ Indeed, anecdotal evidence was presented that some full-time students were being required to repay HECS while they were still studying.⁷⁸ The committee is largely unsympathetic to such cases, which suggest that students are perhaps engaging in a lifestyle decision to increase their earnings to the detriment of their studies.

8.77 Part-time students may well be obliged to repay HECS debts while they are still studying, but the committee believes that the repayment rates are not excessively onerous. The numbers of part-time enrolments of non-overseas students dropped by some two per cent following the 97-98 repayment changes but have since virtually

72 Professor William MacGillivray (Australian Council of Deans of Science), *Hansard*, Townsville, 12 July 2001, p.853.

73 Andrews, op. cit., p 18.

74 As quoted in Andrews, op. cit., p.18.

75 Andrews, op. cit., pp.11-12.

76 Professor Bruce Chapman (ANU), *Hansard*, Canberra, 22 June 2001, p.567.

77 Dr Howard Guille (NTEU QLD), *Hansard*, Brisbane, 22 March 2001, p.11.

78 Mr Ben McMillan (UQSU), *Hansard*, Brisbane, 22 March 2001, p.78.

stabilised, suggesting that students are prepared to accept them. The recommendation at paragraph 3.76 (Chapter 3) addresses the issues raised in relation to HECS charges.

Income support

8.78 Most witnesses agreed with the sentiments of Dr Bob Birrell of Monash University:

what really counts for the students trying to decide whether or not they should pursue a higher education career is their living expenses. Their HECS liability certainly adds in the long term to the costs of taking up that option, but it is something they can defer. My dealing with students suggests that they are not too fussed about the HECS liability because they can put it off; they do not have to pay it up front. What really matters to them is their immediate expenses.⁷⁹

This is a point well recognised by governments of all persuasions, who have addressed the income support question as a priority means of facilitating access to higher education. As noted above, the universities themselves offer a variety of scholarships, some of which provide a stipend; specific industries and employers do likewise. But for most students, the current Commonwealth income support mechanisms for undergraduates are Austudy, Youth Allowance or ABSTUDY.

8.79 Austudy is an income support mechanism available for full-time students aged 25 and over and whose personal or partner's income and assets are below threshold levels. At January 2001 the maximum level of support available was \$290.10 per fortnight for students without children whose personal income was a maximum of \$236 per fortnight. For single students with children, income support increases to \$368.10 per fortnight with the same limit on personal earnings. The level of Austudy payments reduces in proportion to personal income levels and cuts out when the latter reaches \$673.29 per fortnight. Additional modest remote area allowances are also available.

8.80 On 1 July 1999, the Youth Allowance replaced Austudy for students under age 25. For the 16-24 age group, Youth Allowance is available for full-time students, subject to a number of conditions. The maximum rate for a student aged 18 or more, and living at home, is \$190.90; for a student living away from home, this rises to \$290.10. For students dependent on their family, eligibility for Youth Allowance depends on the parental means test and cuts out entirely when the parental income exceeds \$54,000 p.a. As with Austudy, the same personal income test applies.

8.81 ABSTUDY has provided assistance to Aboriginal and Torres Strait Islander full-time students since its introduction in 1969. Changes which took effect in 2000 were intended to align ABSTUDY, broadly speaking, with Youth Allowance and Austudy. A number of supplementary benefits continue, including a pensioner

79 Dr Bob Birrell (Monash), *Hansard*, Melbourne, 14 May 2001, p.367.

education allowance. Certain changes were made to the 'away-from-base' assistance with travel and accommodation: for distance education students attending on-campus residential schools, six return trips and 40 days are permitted; and two return trips are allowed under the 'testing' program for students to enter tertiary study. The former is administered by the DETYA Indigenous Education Strategic Initiatives Program (IESIP); the latter by Centrelink.

8.82 The alignment of ABSTUDY benefit levels with other support schemes was predicted to lead to a reduction in benefits for a majority of ABSTUDY recipients,⁸⁰ the then Minister disagreed, indicating in the Senate that over 80 per cent of ABSTUDY recipients should experience no, or minimal, change.⁸¹

8.83 Table 8.3 presents in dollar figures the extent of assistance made available to students since 1990.

Table 8.3 Expenditure on student assistance 1990-2000

<i>Year to June</i>	<i>Austudy (\$,000)</i>	<i>ABSTUDY (\$,000)</i>	<i>Youth Allowance (\$,000)</i>	<i>Austudy (\$,000)</i>	<i>Supplements (\$,000)</i>	<i>Fares Allowance (\$,000)</i>
1990	823322	82980				
1991	1023240	97248				
1992	1255277	98463				
1993	1438084	106330			207	
1994	1465305	111773			5702	
1995	1471039	114282			14100	
1996	1572896	128490			43384	
1997	1506108	131694			61501	
1998	1459725	129889			180856	
1999		130498	1843498	287173	259745	690
2000			1990775	251717	281628	569

Source: DEET, DEETYA and FACS annual reports. **Notes:** where actual expenditure was not shown, the appropriation was included; student financial supplements were voluntary loans before 1999; ABSTUDY expenditure was not separately identified in 2000; and pensioner education supplements have been excluded.

80 Deakin University, *Analysis of the Proposed Changes to ABSTUDY on Indigenous Students*, 1999.

81 Senate *Hansard*, 28 Sept 1999, p.9011.

8.84 A survey conducted for the AVCC showed that Youth Allowance support was provided to some 23.3 per cent of students surveyed in 2000, and 10.3 per cent received Austudy. Some 8 per cent of students had been refused benefits, the most important basis for rejection being parental income or asset levels.⁸²

8.85 There has been criticism of the various income support schemes, particularly from students themselves or their unions. Their major concern is with the quantum of the basic payment of \$290.10 per fortnight. Mr Roger Deutscher of the Student Financial Aid Network suggested that a full-time student needs about \$17,000 per annum to cover basic expenses; this represents a shortfall of some \$4,000 even for students getting the full income assistance allowance, rent assistance and earning the maximum allowable.⁸³

8.86 Other aspects which concern students are the cap on the amount able to be earned before payments are affected, and the fact that it is now on gross rather than taxable income. Some also were critical of the accuracy and timeliness of Centrelink's handling of payments.

8.87 The reduction in time allowed to complete higher degrees while receiving income support was also addressed. Many student groups argued that over-reliance on completion, in conjunction with reduced funding time, would distort the type of research projects undertaken and might militate against more ambitious projects. It might also rule out assistance to finish when a student changed courses.⁸⁴ Chief Scientist Dr Robin Batterham also considered this issue, concluding that 'if we are going to push on the shorter term efficiency pedal, I think we need in parallel a bit of pushing on a longer term quality peer review process'.⁸⁵

8.88 Another aspect of income support which incurred the ire of student unions was the definition of 'independence' from parents for the purposes of income support. One union categorised as 'absurd' the situation whereby students are not considered independent until they are 26 and yet other students could achieve 'independent' status while living free of charge in a parental property by virtue of the fact that they earned sufficient money through a summer internship.⁸⁶ Mr Ben McMillan of the University of Queensland Student Union suggested that 18 was the preferred age for 'independence' for the purposes of Youth Allowance, on the grounds that at 18 students can vote, be conscripted, and get into credit card debt.⁸⁷

82 M Long and M Hayden, *Paying their Way: a survey of Australian undergraduate university student finances - executive summary*, AVCC, 2001, p.5.

83 Mr Roger Deutscher (Student Financial Aid Network), *Hansard*, Melbourne 14 May 2001, p.410.

84 Submission 53, University of Queensland Student Union, p.14.

85 Dr Robin Batterham, *Hansard*, Canberra 22 June 2001, p.520-1.

86 Mr Ben McMillan (UQSU), *Hansard*, Brisbane, 22 March 2001, p.67.

87 Mr Ben McMillan (UQSU), *Hansard*, Brisbane, 22 March 2001, p.77.

8.89 The National Union of Students (NUS) submitted that in September 1998, only 36.9 per cent of undergraduates received Youth Allowance and that changes to the parental income threshold from average weekly earnings to then \$25,150 had resulted in 20 per cent of previously eligible students having their benefit reduced or taken away altogether.⁸⁸

8.90 The Long and Hayden study for the AVCC teased out some of these issues from the point of view of a sample of undergraduate students in the year 2000. They found that more than seven in ten undergraduate full-time students were employed during the semester, for an average of 14.6 hours per week.⁸⁹ That work was assessed by 3 in 20 as interfering 'a great deal' with their studies; the studies of a further 43.5 per cent were affected 'somewhat'. But as the report reflected, the relationship between the number of hours of paid employment worked by students, and their study outcomes, is complex and may not reflect causality.⁹⁰

8.91 Long and Hayden also questioned why students in their sample who studied part-time did so, rather than undertaking full-time study. They found that the single most important reason for studying part-time was to fit in with employment, with 56.5 per cent of students giving this reason; only 12.6 per cent of students cited lack of income support as a reason.⁹¹

8.92 The NUS recognises that students who combine paid work with study do not, in general, progress as well as full-time students; it holds strongly to the view that a student income support system should cover the living expenses of students.⁹² The reality is, however, that whether from choice or necessity, many students engage in some paid work while they are studying.

8.93 Further evidence on the extent to which students were combining study with work was presented by the Centre for the Study of Higher Education (CSHE) at the University of Melbourne. The CSHE conducted a national study in 1994 and again in 1999 on the first year experience of a sample of students in seven Australian universities.⁹³ It showed that in 1994, 26 per cent of the student sample indicated that their main, or only, source of income was part-time or casual work; by 1999 this figure had increased to 37 per cent. The study also showed a 9 per cent increase in the proportion of full-time students who worked part-time and a 14 per cent increase in

88 Submission 274, NUS, p.100.

89 M Long and M Hayden, *Paying their Way: a survey of Australian undergraduate university student finances - executive summary*, AVCC, 2001, p.13

90 M Long and M Hayden, *Paying their Way: a survey of Australian undergraduate university student finances - executive summary*, AVCC, 2001, p 14

91 M Long and M Hayden, *Paying their Way: a survey of Australian undergraduate university student finances - executive summary*, AVCC, 2001, p 13

92 Submission 274, NUS, p.101.

93 McInnis, C, James R, and Hartley R, *Trends in the First Year Experience in Australian universities*, DETYA, Canberra, 2000.

the mean number of hours they worked. Forty-two per cent of students worked between 11 and 20 hours per week.⁹⁴ By 1999, more than half the first year students at six of the seven universities undertook some amount of paid employment; the proportion dropped to 23 per cent at the regional university, a variation which the researchers speculated was due to the lack of casual or part-time work in the area.⁹⁵

8.94 Professor Craig McInnis of the CSHE made the point to the committee that when full-time students are working in paid employment as many as 25 hours a week, it 'is having quite a marked effect on their performance and on their ability to participate in the university experience'.⁹⁶ While he found that almost 40 per cent of the students surveyed were concerned with the issue of money for survival, 'a lot of other students are working to maintain a lifestyle.'⁹⁷

8.95 The AVCC echoed this finding:

there is growing concern that students' work obligations in part time, and sometimes full time, employment prevents them from gaining optimum value from their studies. The effort of holding down a number of jobs hinders students from attending all their classes or having sufficient time for out of class study. Supporting evidence for this comes from OECD data. It indicates that Australian students are much more likely to have jobs while studying than students in other OECD countries.⁹⁸

8.96 Research effort to date has not definitively untangled the many threads associated with a student's decision to undertake paid employment in conjunction with study. Student associations are rightly concerned about students who are obliged to seek paid employment in order to survive, because that inevitably reduces the time available to them for academic pursuits. What is needed is a clearer understanding of the types of paid employment being undertaken and the reasons for it. Some paid employment may be positively beneficial in terms of enhancing the student's understanding of his or her course of study; and some may be undertaken to provide work experience to enhance future employment chances. No affordable level of government-funded income support for students is likely ever to replace the need - or desire - for supplementation via engagement in the paid workforce. And such engagement, however modest, can be beneficial in developing self-esteem and a sense of responsibility. What is of concern to the committee is that such engagement in the paid workforce is so lengthy or is of such an unpredictable character as to prohibit consistent engagement in the course of study. The committee was told that,

94 Submission 272, Centre for the Study of Higher Education, p.3

95 McInnis et al., op. cit., p.43.

96 Professor Craig McInnis (Centre for the Study of Higher Education), *Hansard*, Melbourne, 14 May 2001, p.403.

97 *ibid.*

98 Submission 315, AVCC, p.14.

increasingly, students are expecting university to fit in with their lives.⁹⁹ It would be unfortunate if, to boost the levels of participation in higher education, we moved too far down the path of commodification of the tertiary education 'package' so that it fits in with the working commitments of students, rather than vice versa.

8.97 It would be both undesirable to set limits on the numbers of hours of paid employment which might be regarded as compatible with full-time and part-time study; and it would be impossible to 'police'. Further, no two students' circumstances or capacity for work and study are likely to be the same. The responsibility must lie principally with academic support staff to counsel students whose extra-curricular activities are clearly detrimental to their academic progress.

8.98 A number of witnesses¹⁰⁰ pointed out that income support was a particular problem for the students whose parents' income just exceeded the cut-off point for Youth Allowance. At such relatively low income levels, the students concerned could not expect financial assistance from the family and would be reliant on what they could earn themselves, if they wished to participate in tertiary studies. The preponderance of students who do engage in the workforce while studying suggests that some work at least is available and that the need to engage in paid work is not a deterrent to participation in higher education: 48.9 per cent of all full-time students, and 91.9 per cent of all part-time students participated in the workforce in May 2000.¹⁰¹ It may, however, affect the benefit they obtain from their studies and the outcome.

8.99 The committee was interested to learn that the University of Melbourne has commenced a study of how high levels of student employment were affecting academic performance.¹⁰² It encourages the university to publish the results as they may provide assistance in determining policy in this area.

8.100 The specific changes to ABSTUDY were addressed by the NTEU Indigenous Tertiary Education Policy Committee, amongst others. In particular, that committee felt that the changes to the 'away from base' provisions had had a negative effect on participation. The number of return trips per year provided to enable students to attend residential schools, is now limited; with most campuses now scheduling four such schools; eligibility for airfare allowance is now limited to cases where the student lives more than 36 hours by surface travel from the university, which must be in the same state in which the student resides; and students approved for accommodation assistance must use what the university provides.¹⁰³ As Mr Greg McConville, representing the NTEU Committee, indicated, the 'same state' provision effectively

99 Professor Craig McInnis, *Hansard*, Melbourne, 14 May 2001, p.401.

100 See, for example, Submission 130, Dr Bob Birrell

101 ABS, *Transition from Education to Work Australia*, Cat. 6227.0, Dec 2000, p.13.

102 Mr Taimor Hazou, Melbourne University Students Union, *Hansard*, Melbourne 15 May 2001, pp.460-1.

103 Submission 299, NTEU Indigenous Tertiary Education Policy Committee, pp.11-12.

ruled out for NT students in particular all courses of study which were not offered in their home state. He also reinforced the importance for students and communities alike of the 'away from base' initiatives for indigenous students as a means of keeping students in contact with their communities.¹⁰⁴

8.101 Professor Janice Reid, Vice-Chancellor of the UWS, told the committee that dedicated indigenous education funding had had a huge and positive impact on indigenous participation in her university. She was concerned by the loss of merit-based equity scholarships and felt also that the ABSTUDY changes had discouraged indigenous students from finishing their courses.¹⁰⁵

Academic support

8.102 The President of the AVCC, Professor Ian Chubb, put forward the view:

I have no doubt that the educational experience that our students now get is different and not as good as it used to be. Tutorial classes, the interactions that those students can have with individual staff members and the staff members having the time to be able to reflect, sit back and think about where your field is heading, what you want to do next, where you want to go, what sort of research you want to do, what sorts of experiments you want to do - all those things that were once seen to be vital parts of the academic life - have been much contracted as we have seen student-staff ratios go up and up and up. One of my colleagues published an article recently suggesting that in information technology programs the student-staff ratio is well over 40 to one. Those sorts of things do not allow for an educational experience as we understand it. I think we should just take that one head-on and say, 'Something has to be done about that.'¹⁰⁶

On this point, he had universal agreement. While one could, and many did, quibble about the precise extent to which student-staff ratios have worsened over time and whether they have done so equally between institutions and courses, this does not detract from the argument that the university experience could be better, in terms of academic support, than it generally is.

8.103 It is unlikely that the level of academic support is a particular factor in commencing students' thinking but it most certainly affects their decision to continue in higher education, and rightly so. Higher education, as we have seen, is a considerable investment of time, money and effort on the part of the student and if the quality of the 'product' is inferior, it will be rejected.

8.104 From the academics' perspective, they are dealing with more students, and students with an ever-widening range of abilities. Professor Graeme Turner, of the

104 Mr Greg McConville (NTEU), *Hansard*, Canberra, 22 June 2001, p.601.

105 Professor Janice Reid (UWS), *Hansard*, Sydney, 17 July 2001, p.1020.

106 Professor Ian Chubb (AVCC), *Hansard*, Sydney 17 July 2001, p.990.

University of Queensland, suggested that teaching loads had increased by roughly 50 per cent over the last ten years for most people¹⁰⁷ thus putting pressure on the amount of support they could provide to students. And at the same time, a study by the CSHE revealed that 70 per cent of academics believed that one of the most significant factors in the increase in their workload was the provision of academic support.¹⁰⁸

8.105 The importance of that task was well recognised. As Professor McInnis put it:

What students need ... is more opportunity to spend more time, particularly in the early years of their undergraduate degrees, in learning situations where they have the maximum opportunity to actually engage with other students and with academic staff. We have the same pattern here that has emerged in the United States. We know that the more time students spend with academics and with the other students, talking to them informally out of the classroom as well as inside the classroom, the better is their development cognitively as well as on almost every other measure ... these are matters to do with the actual learning outcomes.¹⁰⁹

8.106 Dr Guille of the NTEU made the point that staffing pressures were such that many academics were having to resort to multiple choice assessment or short answer tests, as they lacked the time to provide formative assessment, where the students received constructive criticism and assistance in their research skills, their writing skills or their mathematical skills.¹¹⁰ Even vice-chancellors agreed. Professor Webb, of Griffith University, told the committee 'staff to student ratios have deteriorated ... the amount of time that staff have per student, to develop ideas, to discuss ideas, to answer difficulties and so forth, has been reduced'.¹¹¹

8.107 From the perspective of students or their representatives, three major complaints emerged: the infrequency of tutorials; the high number of students per tutorial, which effectively ensures that only the extroverts contribute; and the increasing difficulty students had in accessing their tutors and lecturers and the overly modest amount of time spent with them.¹¹² While there were considerable differences among universities and courses in the actual examples provided, the basic complaints were universally acknowledged.

8.108 Suggestions were made that the increasing use of online communications would facilitate students' access to tutors, especially for external students. This is indeed the case, but presupposes that the tutors have the time to spend dealing with

107 Professor Graeme Turner (University of Queensland), *Hansard*, Brisbane, 22 March 2001, p.30.

108 Professor Craig McInnis, *Hansard*, Melbourne, 14 May 2001, p.400.

109 Professor Craig McInnis, *Hansard*, Melbourne, 14 May 2001, pp.406-7.

110 Dr Howard Guille, *Hansard*, Brisbane 22 March 2001, p.11.

111 Professor Roy Webb (Griffith University), *Hansard*, Brisbane, 22 March 2001, p.90.

112 See, for example, University of Queensland Union, *Hansard*, p. 70; Melbourne University Students Union, *Hansard*, p. 455.

their email. As Dr Toyne pointed out, lecturers or tutors need to be ‘very consistent in being there for students to feel that they are actually part of a real process’.¹¹³ And as Professor Chubb also pointed out, the ‘stick it all on the Net’ approach does not equate to an educational experience.¹¹⁴

Participation in higher degree courses

8.109 While much of the above discussion applies equally to tertiary students at all levels, there were some issues raised with the committee in relation specifically to higher degree students. In particular, the challenges for coursework students were flagged.

8.110 Some 72,297 non-overseas students commenced higher degrees in 2000, 54.5 per cent of which were by coursework.¹¹⁵ For 2001, the Government funded 21,644 HECS-exempt higher degree *research* places¹¹⁶ and awarded 1550 Australian Postgraduate Awards (APAs) for research students. APAs provide an annual stipend for full-time students of \$17,267 plus allowances; the Government allocates the awards to universities who are responsible for selecting the holders. The allocation of awards to participating institutions is based on a formula which is intended to reflect the capacity and the quality of an institution's research training environment. In addition, the universities themselves funded a varying number of higher-degree scholarships. It could be argued that the participation of the best and the brightest students in higher research degrees is thus reasonably adequately encouraged.

8.111 However, by and large, Masters by coursework studies do not attract Austudy or Youth Allowance;¹¹⁷ in most cases they require the payment of uncapped fees, up-front; nor are such students eligible for most scholarships; and tutoring options are decreasing. And five-figure fees are not uncommon. As Mr Anthony Lambert, representing the UTS Students Association, told the committee:

Fees are a huge disincentive to people such as me trying to bring real world industry experience to academia after a period away from study. They also ...all but rule out the prospect of postgraduate research to people such as single parents or others who may be financially disadvantaged...¹¹⁸

8.112 His colleague, Ms Catherine Murphy, also made the point that such scholarships as are available are more likely to be offered to students who have been a member of a professional employment body and have had long professional

113 Dr Peter Toyne, *Hansard*, Darwin, 30 April 2001, p.237.

114 Professor Ian Chubb, *Hansard*, Sydney, 17 July 2001, p.988.

115 DETYA, *Higher Education Students Time Series Tables 2000*, Table 15.

116 Kemp, the Hon. D, Triennium Report, p.5.

117 Ms Juliana Virine, *Hansard*, Brisbane, 22 March 2001, p.69.

118 Mr Anthony Lambert (UTSSA), *Hansard*, Sydney, 18 July 2001, p.1078.

experience, thus all but ruling out isolated students and those returning to study late in life.¹¹⁹

8.113 When students pay upfront fees, some commentators believe that there is an implicit pressure on academics to ensure that the fee-paying students pass, irrespective of actual progress.¹²⁰

8.114 Another possible inequity in higher degree field was raised by the University of Melbourne Postgraduates Association. Mr Simon Booth, representing the Association, pointed out that students from equity groups often experienced difficulty in completing their studies in the allotted time and hence universities looked less favourably on them when considering the awarding of scholarships.¹²¹

8.115 Given the relative lack of financial support for postgraduate coursework study, it is little wonder that so many postgraduate students study part-time while they are employed full- or part-time. Part-time masters by coursework students outnumbered their full-time peers by almost four to one. While some are supported in their study by their employers, either through the payment of fees and/or through the provision of study leave, considerable numbers are not.

8.116 For whatever reason, the decline in overall numbers of postgraduate coursework enrolments is quite marked: from 29,625 in 1998, to 28,636 in 1999, and 27,915 in 2000.¹²² To overcome any possible disincentive effect of upfront fees, the Government announced in January 2001 that it would introduce the Postgraduate Education Loans Scheme (PELS), an income-contingent loan scheme for all fee-paying non-research postgraduate students. No limits were to be set on the amount students could borrow; loans would be repaid under the same arrangements as HECS; and universities would remain free to set postgraduate charges. The Government expected that loans under the scheme would amount to some \$995 million over five years and would assist some 240,000 students.¹²³ After an omnibus bill covering PELS and other matters failed to pass the Senate, the bill was split and a PELS-only bill¹²⁴ was introduced and was agreed to on 30 August 2001.¹²⁵

119 Ms Catherine Murphy (UTSSA), *Hansard*, Sydney, 18 July 2001, p.1078.

120 See, for example, Dr Clive Hamilton, *Hansard*, p.531.

121 Mr Simon Booth (UMPA), *Hansard*, Melbourne, 15 May 2001, p.471.

122 DETYA, unpublished.

123 Kemp, the Hon.D, Second reading speech, House of Representatives *Hansard*, 5 April 2001, p. 26534.

124 Innovation and Education Legislation Amendment Bill (No. 2) 2001.

125 *Journals of the Senate*, 30 August 2001, p.4843.

