

**Submission to the Senate
Education and Employment
Legislation Committee -
Inquiry into the Higher Education
Support Amendment (Response to
the Australian Universities Accord
Interim Report) Bill 2023.**

Per Capita welcomes the opportunity to provide this submission to the Senate Education and Employment Legislation Committee for consideration in their inquiry into the Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023.

Per Capita is an independent think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia, based on fairness, shared prosperity, and social justice.

Higher education is a vital public good. It carries social and economic benefits for our nation and plays an important role in our export sector. Over the past 15 years, there have been several significant changes to our higher education funding system, yet the Australian University Accord represents the first broad review of the higher education system in just as long.¹

Per Capita supports the five priority actions outlined in the *Interim Report*,² as well as the Government's commitment to implement them all.³

This Bill is a necessary step towards building a fairer, and more equitable, higher education system. It repeals the punitive 50% pass rule inserted into the *Higher Education Support Act 2003* (Cth)⁴ by the Coalition government's 2020 Job Ready Graduate Package (JRG).⁵ Additionally, it expands eligibility for Commonwealth supported places in demand driven courses to all First Nations students.

Supporting students from low socio-economic backgrounds

The *Review of Australian Higher Education* in 2008 (the Bradley Review) recognised the need to re-establish sector-wide targets to increase participation from those who are under-represented in higher education. It recommended that the Australian Government set a national target that, by 2020, 20 % of undergraduate enrolments in higher education should be students from low socio-economic backgrounds.⁶ This target was not met by 2020,⁷ but rather than taking meaningful action to increase the enrolment rate of disadvantaged students, the Coalition Government implemented the 50% pass rule, pushing the dial further in the wrong direction.

¹ The last being the 2008 Bradley Review: Denise Bradley, *Review of Australian Higher Education* (Final Report, December 2008) ('Bradley Review')

² Australian Universities Accord Review Panel, *Australian Universities Accord* (Interim Report, 30 June 2023) 11-3.

³ Jason Clare, 'Legislation Introduced to Implement Universities Accord Interim Report' (Media Release, Minister for Education, 3 August 2023).

⁴ *Higher Education Support Act 2003* (Cth) s 36-13/

⁵ Higher Education Support Amendment (Job-ready Graduates and Supporting Regional and Remote Students) Bill 2020 sch 4.

⁶ *Bradley Review* (n 1) xxvi.

⁷ Universities Australia, *2022 Higher Education Facts and Figures* (Report, June 2022) 41.

In 2020 this committee heard from several stakeholders who were concerned about the negative ramifications of implementing the 50% pass rule.⁸ Stakeholders and other experts told this committee about the adverse effects that this amendment was likely to have. They heard how it would disproportionately impact First Nations students, those who come from low socio-economic backgrounds, those who live in regional areas, and those who are the first in their families to go to university.⁹ They heard how implementing this rule could create incentives for universities to lower standards so that fewer students fail, or, result in universities becoming more risk averse and less likely to support struggling students.¹⁰

Nevertheless, the Coalition Government steamed ahead with implementing the 50 % pass rule anyway, rationalising that it was necessary to prevent students from accumulating large debts.¹¹ It is hard to fathom how this could have honestly been the case, considering other elements of the JRG package resulted in an average increase to student fees of 7%,¹² and thus, the accumulation of larger student debts. In social sciences, humanities and communications student fees increased by a whopping 113%, disproportionately affecting women and First Nations students.¹³

Predictably, the concerns voiced by stakeholders in 2020 have transpired. Today, over 13,000 students at 27 universities are being affected by the 50% pass rule.¹⁴ Removing this measure is an obvious response. We are *all* diminished when any of us are denied a proper education. The most disastrous elements of the JRG package must be undone before they do any further damage to our higher education system.

⁸ Senate Education and Employment Legislation Committee, Parliament of Australia, *Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020* (Report, September 2020).

⁹ See eg, Australian Technology Network of Universities, University of Newcastle and Deakin University, Submission No 64 to the Senate Education and Employment Legislation Committee, *Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020* (2020) 5.

¹⁰ Griffith University, Submission No 94 to the Senate Education and Employment Legislation Committee, *Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020* (2020) 3.

¹¹ Explanatory Memorandum, Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020 (Cth) 13; Senate Education and Employment Legislation Committee, Parliament of Australia, *Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020* (Report, September 2020) 43.

¹² Australian Universities Accord Review Panel, *Australian Universities Accord* (Interim Report, 30 June 2023) 143.

¹³ *Ibid* 22, 143.

¹⁴ Jason Clare, 'Legislation Introduced to Implement Universities Accord Interim Report' (Media Release, Minister for Education, 3 August 2023).

Conclusion

Per Capita recommends that this Bill be passed.

Additionally, we recommend that the government roll back unfair fee increases included in the JGR package and that the HECS-HELP indexation be revised so that it is in line with the Wage Price Index rather than the Consumer Price Index.

We thank the members of the Senate Education and Employment Committee for their consideration of this submission.