

Submission to the Senate Standing Committees on Education & Employment Higher Education Support Amendment (Job-ready Graduates and Supporting Regional and Remote Students) Bill 2020

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Introduction

This submission has been prepared by members of the QUT *Centre for Decent Work and Industry* in response to the call for submission on the Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020.

The Centre for Decent Work and Industry critically examines the nexus of business, work, education and society through rigorous scholarship and research informed policy advocacy. We conduct research across three research programs—Sustainable Transitions, Work, and Responsible Governance—engaging with emerging trends in the future of work which impact the employment and education-to-work transitions of young people such as unpaid work and internships; equality of access to work and education, and quality education and work experience.¹

In responding to the bill, our submission takes a thematic approach and in support of our claims, we summarise relevant published evidence, including our own research. This submission responds to the following key themes:

1. Redesign of funding clusters and student contribution bands
2. Increase the number of commencing places in areas of national priority
3. Reduce the waiting period for a student to be eligible for the Fares Allowance
4. Establishment of Regional University Centres
5. Redraft of Australian Qualifications Framework

Redesign of funding clusters and student contribution bands

Research from around the world on the change from elite to mass higher education shows how prospective students make higher education course choices.² There are differences and inequalities in study decisions based on ethnicity, class and socioeconomic status (SES). Institutional choices are often based on proximity to home, time available to study and travel to study given caring and/or paid work commitments. Perceptions of ability to 'fit in' in a particular course are also important. Increasing the cost of certain degrees will reproduce and further entrench existing inequalities. As with any marketed good, students' decisions to enrol in a university degree is based on a cost vs benefit analysis³. As a result, rather than 'streaming' prospective students into alternative courses, increasing the cost of degrees may in fact deter prospective students from low income families from applying.⁴ This was the case in the UK, where fee increases caused students not to enter higher education in 2012/2013, with a decrease of between 7.4 and 8.7% in applications to UK higher education institutions in those years.⁵

¹ Refer to Appendix for a list of relevant publications authored by Centre for Decent Work & Industry members.

² Baker Z (2020) The vocational/academic divide in widening participation: the higher education decision making of further education students. *Journal of Further and Higher Education*, 44(6), 766-780.

³ Pasternak R (2005) Choice of institutions of higher education and academic expectations: the impact of cost-benefit factors. *Teaching in Higher Education*, 10(2), 189-201.

⁴ Callender C & J Jackson (2008) Does the fear of debt constrain choice of university and subject of study? *Studies in Higher Education*, 33(4), 405-429.

⁵ Wilkins S, F Shams & J Huisman (2013) The decision-making and changing behavioural dynamics of potential higher education students: The impacts of increasing tuition fees in England. *Educational Studies*, 39(2), 125-141.

It could be argued that the changes to student contributions may have a more limited effect on course or degree selection, because students' course selection decisions are influenced by a range of factors, including the views of family and friends, location, course duration, desired career, access to work integrated learning, and whether the course is accredited.⁶ However, it should not be assumed that there will be no impact as research has shown that the costs associated with degree selection can influence or constrain disciplinary choices.⁷

With a bachelor level degree a common entry requirement for a greater number of occupations and increasing competition for entry-level jobs, increasing the cost of university education may have the long-term effect of locking lower-SES background people out of higher education and therefore out of higher-paying occupations.⁸ Lower educational outcomes for low SES populations are associated with sustained under-employment.⁹ We believe that the proposals, combined with plans to withdraw financial support for students who fail half of the subjects in their first year may effectively work to price working class students out of humanities degrees when these kinds of degrees develop many of the skills required for the future workforce. In fact, a study of Australian university graduates using HILDA data uncovered that holding a humanities degree (including law) was associated with a wage premium of approximately 11.1% compared with school leavers (significant at the 5% level)¹⁰.

Higher education has a vital purpose in preparing students for emerging workforce needs¹¹. However, research shows that new work requires adaptability, ability to cope with ambiguity and ability to quickly learn new skills more than specific subject matter knowledge that quickly dates.¹² The need for transferable skills such as those provided by humanities and creative degrees is further supported by the fact that the Australian Government's *Graduate Outcomes Survey* shows that more than 40% of people with an undergraduate degree are working in a role not fully related to their degree.¹³ Employability skills emerge not only from higher education curriculum, but instead depend on position (social background), possession of human capital, and process of career self-management.¹⁴ Additionally, projections indicate that future careers may include more than 20-30 different jobs, requiring lifelong learning and regular upskilling¹⁵, suggesting that an individual's undergraduate qualifications do not limit entry into a range of occupations.

This package should not be considered in isolation of plans to withdraw financial support for students who fail half of the subjects in their first year. This plan is likely to have a disproportionate impact on students from low SES backgrounds, students with disability, students from a non-English speaking background, and students from rural and remote Australia. This is because low SES students are more likely to have to engage in part-time work to support them through their studies which can impact academic performance.¹⁶ Similarly, students from rural and remote Australia who have to move away from home to undertake higher education may struggle as they adapt to unfamiliar surroundings and reduced familial support and social networks.¹⁷ As students are

⁶ Nanayakkara C, W Yeoh, A Lee & A Moayedikia (2019) Deciding discipline, course and university through TOPSIS. *Studies in Higher Education*, 1-16.

⁷ Tsakissiris J & D Grant-Smith (2020) The influence of professional identity and self-interest in shaping career choices in the emerging ICT workforce. *International Journal of Work INtegrated Learning*. <https://www.ijwil.org/>

⁸ Madade AA & TM Brinthaupt (2018) Good and bad reasons for changing a college major: A comparison of student and faculty views. *Education*, 138(4), 323-336.

⁹ Reay D, J Davies, M David & SJ Ball (2001) Choices of degree or degrees of choice? Class, 'race' and the higher education choice process. *Sociology*, 35(4), 855-874.

¹⁰ Committee for Economic Development of Australia (CEDA) (2018) *Connecting People with Progress: Securing Future Economic Development*. <https://www.ceda.com.au/Research-and-policy/All-CEDA-research/Research-catalogue/Connecting-people-with-progress-securing-future-economic-development>

¹¹ O'Mahony J, R Garga, M Thomas & M Kimber (2019) Valuing the humanities. *The Australian Economic Review*, 52, 226-235.

¹² Bastedo M (2016) Curriculum in higher education: The historical roots of contemporary issues. In P Altbach, R Berdahl & P Gumpert (Eds) *American Higher Education in the Twenty-first Century: Social, Political, and Economic Challenges* (4th ed.) John Hopkins University Press, Baltimore.

World Economic Forum (2018) *Preparing for the Future of Work*.

¹³ Osborne N & D Grant-Smith (2017) Resisting the 'employability' doctrine through anarchist pedagogies and prefiguration. *Australian Universities Review*, 59(2), 59-69.

¹⁴ Social Research Centre (2019) *2019 Graduate Outcomes Survey - Longitudinal (GOS-L): medium-term graduate outcomes*. <https://www.qilt.edu.au/qilt-surveys/graduate-employment>

¹⁵ Holmes L (2013) Competing perspectives on graduate employability: Possession, position or process? *Studies in Higher Education* 38(4), 538-54.

¹⁶ Committee for Economic Development of Australia (CEDA) (2018) *Connecting people with progress: securing future economic development*. <https://www.ceda.com.au/Research-and-policy/All-CEDA-research/Research-catalogue/Connecting-people-with-progress-securing-future-economic-development>

¹⁷ Devlin M & J McKay (2018) The financial realities for students from low SES backgrounds at Australian regional universities. *Australian and International Journal of Rural Education*, 28(1), 1-16.

¹⁸ Lewis C, V Dickson-Swift, L Talbot L & P Snow (2007) Regional tertiary students and living away from home: A priceless experience that costs too much? *Australian Journal of Social Issues*, 42, 531-547.

“incentivised” to undertake cheaper courses there is also the potential that this may increase the likelihood of degree non-completion or unsuccessful subject attempts as students struggle with degrees for which they may meet minimum academic requirements for entry but are not well suited for. Indeed, student interest in the discipline is demonstrated as a key success factor for first year students.¹⁸

We strongly support the grandfather clause that students who are already enrolled before 1 January 2021 would not pay the higher student contribution amount for a given unit. We believe that this grandfather clause should be extended to students who have accepted but deferred an offer of study and intend to commence study during 2021. We further argue that the introduction of the new student contribution amounts should be deferred to 2023 as high school students will already be pursuing subjects aligned with specific degree offerings and their intended course of study may change as a result of the introduction of higher student contribution amounts.

We reject the proposition that the redesign of the funding clusters and student contribution bands necessarily provide a better alignment between a provider’s base funding and the cost of delivering courses of study. For example, students need to develop digital capabilities for the future workforce and there needs to be investment in developing the capabilities of educators to teach these capabilities, as well as investment in technology and new approaches to learning.¹⁹ The true cost and return on investment of providing degrees which are located in Cluster 1 is likely underestimated. Further, the potential impact of plans to limit financial support for students who fail half of their subjects in their first year must be considered alongside this Bill.

Increased number of commencing places in areas of national priority

The package proposes increasing the number of commencing places, including for undergraduate qualifications, in areas of national priority. It is proposed that HE institutions would bid for places for each funding agreement period. We believe that it is imperative that HE institutions bidding for places must be able to demonstrate how they will support students to successfully complete their degree, particularly in relation to students from equity groups which have traditionally not performed as strongly in completion relative to enrolment statistics.²⁰ We further argue that the assessment of HE institutional performance in the provision of qualifications in areas of national priority must be demonstrated through measures of teaching quality rather than through research quality metrics which are not always well aligned with teaching performance.²¹

The Discussion Paper argues that the current funding system does not incentivise student engagement in areas of industry need. We suggest that incentivising students to undertake study in areas of industry need is a joint responsibility with industry who need to work to make employment in their industry more attractive. In the past industry took an active role in attracting students to undertake related study through the widespread provision of cadetships, scholarships, vacation employment programs and paid internships.²² Furthermore, industries must identify potential barriers or disincentives for selecting a course of study directed toward work in a specific industry such as working conditions, terms and conditions of employment and the presence of sexist (or racist) attitudes.²³ Higher education is considered a public good that benefits society and the economy, which is why higher education institutions in all OECD countries receive more public than private funding.²⁴ Financially disincentivising enrolments in certain disciplines relies on the ability of government to ‘pick winners’ by predicting specific degrees or disciplinary areas that will be in demand in the future. Creating financial barriers and incentives to study in certain disciplines is a potentially short-sighted approach which may have the unintended consequence of creating an artificial demand for certain degrees due to students enrolling in degrees based on cost rather than interest or skills. This may result in the over-supply of certain

¹⁸ Kahu E, K Nelson & C Picton (2017) Student interest as a key driver of engagement for first year students. *Student Success*, 8(2), 55-66.

¹⁹ Williams P, A Cathcart, E Nielsen & W Boles (2017) *Digital Work Practices: Where are the Jobs and How Prepared are Graduates?* Educator Survey Summary Report prepared for the Australian Technology Network.

²⁰ Grant-Smith D, B Irmer & R Mayes (2020) *Equity in Postgraduate Education: Widening Participation or Widening the Gap?* National Centre for Student Equity in Higher Education.

²¹ Daumiller M & M Dresel (2020) Teaching and research: Specificity and congruence of university faculty achievement goals. *International Journal of Educational Research*, 99. doi:<https://doi.org/10.1016/j.ijer.2019.08.002>

Marsh HW & J Hattie (2002) The relation between research productivity and teaching effectiveness, *The Journal of Higher Education*, 73, 603-641.

²² Simmons S (2005) Development of a cadetship contract for spatial science professionals. *The Queensland Surveyor*, 2005(4), 40-44.

²³ Yean Yng Ling F & Y Pei Poh (2004) Encouraging more female quality surveying graduates to enter the construction industry in Singapore. *Women in Management Review*, 19(6), 431-436.

Yean Yng Ling F, X Xian Leow & K Chin Lee (2016) Strategies for attracting more construction-trained graduates to take professional jobs in the construction industry. *Journal of Professional Issues in Engineering Education & Practice*, 142(1), <https://ascelibrary.org/doi/full/10.1061/%28ASCE%29EI.1943-5541.0000256>.

²⁴ OECD (2019) *OECD Data: Spending on tertiary education*. <https://data.oecd.org/eduresource/spending-on-tertiary-education.htm>

qualifications undermining employability promises based on expressed industry need which fluctuates. An example of this is the oversupply of urban planners in response to a shortfall in the early 2000s.²⁵

Reduce the waiting period for a student to be eligible for the Fares Allowance

Research shows the important role of family support in student success at university, particularly for low SES students.²⁶ Family emotional support is important to academic success and retention, particularly in the crucial first year of study as students make the transition to tertiary study.²⁷ We strongly support the reduction of the waiting period for a student to be eligible for the Fares Allowance for a return trip home during the year to their original place of residence from six months to three months. Consideration could be given to expanding the Fares Allowance scheme beyond students receiving Youth Allowance, Austudy or the Pensioner Education Supplement to include any student eligible for the proposed Tertiary Access Payment.

Establishment of Regional University Centres

Research has shown that access to support and the formation of cohort-based peer learning communities is instrumental to early academic success and retention.²⁸ We therefore broadly support the provision of Regional University Centres to provide infrastructure and a range of support services to assist students from regional areas to complete their studies without leaving their communities. We do note, however, the proposal for Regional University Centres perhaps appears best suited to support participation in the very degrees that are being discouraged through substantial increases to the student contribution. It is also imperative that universities receive sufficient funding to support these students within their discipline and to assist them to develop a connection with their disciplinary peers based in other locations.

Redraft of Australian Qualifications Framework

We support the proposed AQF redesign to include microcredential qualifications, noting that this model may encourage non-traditional students with limited time due to caring or work responsibilities to gradually build a qualification. However, it will be important to ensure that micro-credentials do not create further barriers to educational attainment due to cost.²⁹ It will also be essential to maintain quality assurance processes and standards for new qualifications, particularly where industry co-design microcredential offerings.

We also support the proposal to ensure that qualifications incorporate skills and general capabilities that best support students to make a successful transition to work. This reform should be based on the research into employability, which shows that while employability is largely dependent on labour market factors, graduates benefit from metacognitive skills, self-evaluative skills, communication and interpersonal skills, and career management skills.³⁰

²⁵ Grant-Smith D & S Mayere (2017) Doing planning and being a planner: Employment and education challenges for the Australian planning profession. In N Sipe & K Vella (Eds) *The Routledge Handbook of Australian Urban & Regional Planning*. Routledge.

Grant-Smith D & P McDonald (2016) The trend toward unpaid pre-graduation professional work experience for Australian young planners: Essential experience or essentially exploitation? *Australian Planner* 53(2), 65-72.

²⁶ Roksa J & P Kinsley (2019) The role of family support in facilitating academic success of low-income students. *Research in Higher Education*, 60(4), 415-436.

²⁷ Kift SM, KJ Nelson & JA Clarke (2010) Transition pedagogy: a third generation approach to FYE: a case study of policy and practice for the higher education sector. *The International Journal of the First Year in Higher Education*, 1(1), 1-20.

²⁸ Potts G, B Schultz & J Foust (2004) The effect of freshmen cohort groups on academic performance and retention. *Journal of College Student Retention*, 5(4), 385-395.

²⁹ Australian Technology Network of Universities (ATN) and PricewaterhouseCoopers Australia (PwC). (2018). *Lifelong skills: equipping Australians for the future of work*.

³⁰ Clarke, M. (2018). Rethinking graduate employability: The role of capital, individual attributes and context. *Studies in higher education*, 43(11), 1923-1937.

APPENDIX: Relevant research published by Centre for Decent Work & Industry

1. Cunningham-Belson S, **M Laundon & A Cathcart** (2020) Beyond satisfaction scores: Visualising student comments for whole-of-course evaluation. *Assessment & Evaluation in Higher Education*, doi:10.1080/026092938.2020.1805409
2. Gillett-Swan J & **D Grant-Smith** (2020) Addressing mentor wellbeing in practicum placement mentoring relationships in initial teacher education. *International Journal of Mentoring & Coaching in Education*, doi:10.1108/IMCE-02-2020-0007
3. **Grant-Smith D, B Irmer & R Mayes** (2020) *Equity in Postgraduate Education: Widening Participation or Widening the Gap?* National Centre for Student Equity in Higher Education.
4. **Laundon M, A Cathcart, & DA Greer** (2020) Teaching Philosophy Statements. *Journal of Management Education*, doi:1052562920942289.
5. Tsakissiris J & **D Grant-Smith** (2020) The influence of professional identity and self-interest in shaping career choices in the emerging ICT workforce. *International Journal of Work Integrated Learning*. <https://www.ijwil.org/>
6. **McDonald P** (2020) Open market internships: What do intermediaries offer? *Journal of Education & Work*, 33(1).
7. **McDonald P & Grant-Smith D** (2020) Unpaid work experience and internships: A growing and contested feature of the future of work. In Wilkinson A & Barry M (Eds) *The Future of Work & Employment*. Edward Elgar.
8. **Grant-Smith D & L de Zwaan** (2019) Don't spend, eat less, save more: Responses to the financial stress experienced by nursing students during unpaid clinical placements. *Nurse Education in Practice*, 35, 1-6.
9. **McDonald P, D Grant-Smith, K Moore & G Marston** (2019) Navigating employability from the bottom up. *Journal of Youth Studies*, 1-18.
10. Moore K, **P McDonald & J Bartlett** (2019) Emerging trends affecting future employment opportunities for people with intellectual disability. In J Clegg (Ed.) *New Lenses on Intellectual Disabilities*. Routledge.
11. Baker P, D Demant & **A Cathcart** (2018) Technology in public health higher education. *Asia-Pacific Journal of Public Health*, 30(7), 655-665.
12. Beckman E & **A Cathcart** (2018) Institutional strategies for developing postgraduate research students' teaching and communication capability. In FF Padro, R Erwee, M Harmes & PA Danaher (Eds) *Postgraduate Education in Higher Education: University Development & Administration*. Springer.
13. Gillett-Swan JK & **D Grant-Smith** (2018) A framework for managing the impacts of work-integrated learning on student quality of life. *International Journal of Work Integrated Learning*, 19(2), 129-140.
14. **Grant-Smith D, L de Zwaan, R Chapman & J Gillett-Swan** (2018) 'It's the worst, but real experience is invaluable': Pre-service teacher perspectives of the costs and benefits of professional experience. In D Heck & A Ambrosetti (Eds) *Teacher Education In and For Uncertain Times*. Springer.
15. **Grant-Smith D & P McDonald** (2018) Ubiquitous yet ambiguous: An integrative review of unpaid work. *International Journal of Management Reviews*, 20(2), 559-578.
16. **Grant-Smith D & P McDonald** (2018) Planning to work for free: Building the graduate employability of planners through unpaid work. *Journal of Youth Studies*, 21(2), 161-177.
17. **McDonald P** (2018) How 'flexible' are careers in the anticipated life course of young people? *Human Relations*, 71(1), 23-46.
18. Price R & **D Grant-Smith** (2018) The employment implications of framing young workers as deficit. In S Werth & C Brownlow (Eds) *Work and Identity: Contemporary Perspectives on Workplace Diversity*. Palgrave.
19. Stewart A, D Oliver, **P McDonald & A Hewitt** (2018) Challenges in designing and enforcing the regulation of unpaid work experience in Australia. *Australian Journal of Labour Law*, 31(2), 157-179.
20. Gillett-Swan J & **D Grant-Smith** (2017) Complex, compound and critical: Recognising and responding to the factors influencing diverse preservice teacher experiences of practicum. *Asia Pacific Journal of Teacher Education*, 45(4), 323-326.
21. **Grant-Smith D, J Gillett-Swan & R Chapman** (2017) *WiL Wellbeing: Exploring the Impacts of Unpaid Practicum on Student Wellbeing*. National Centre for Student Equity in Higher Education, Perth.
22. **Grant-Smith D & J Gillett-Swan** (2017) Managing the personal impacts of practicum: Examining the experiences of Graduate Diploma in Education students. In J Nuttall, A Kostogriz, M Jones & J Martin (Eds) *Teacher Education Policy & Practice: Evidence of Impact, Impact of Evidence*. Springer, Singapore. 97-112.
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24. Moore K & **P McDonald** (2017) *An International Perspective on Youth Labour*. Report prepared for UNICEF Australia, January. Queensland University of Technology, Brisbane.
25. Osborne N & **D Grant-Smith** (2017) Resisting the 'employability' doctrine through anarchist pedagogies and prefiguration. *Australian Universities Review*, 59(2), 59-69.
26. Riach K, **P McDonald & D Grant-Smith** (2017) Financial timescapes: Towards a temporal understanding of young people's financial capability. *Sociology*, 51(4), 800-815.
27. **Williams P, A Cathcart, E Nielsen & W Boles** (2017) *Digital Work Practices: Where are the Jobs and How Prepared are Graduates?* Educator Survey Summary Report prepared for Australian Technology Network.

28. **Grant-Smith D, A Cathcart & P Williams** (2016) *Enhancing management students' professional presentation skills through self and peer assessment: Calibrating judgment using the 3D presentation framework*. Australian & New Zealand Academy of Management, Gold Coast.
29. **Grant-Smith D & P McDonald** (2016) The trend toward unpaid pre-graduation professional work experience for Australian young planners: Essential experience or essentially exploitation? *Australian Planner* 53(2), 65-72.
30. **Moore K, D Grant-Smith & P McDonald** (2016) *Addressing the Employability of Australian Youth*. Queensland University of Technology, Brisbane.
31. Oliver D, **P McDonald**, A Stewart & A Hewitt (2016) *Unpaid Work Experience in Australia: Prevalence, Nature and Impact*. Report prepared for the Commonwealth Department of Employment. University of Technology Sydney, Sydney.
32. Pini B, D Morris & **R Mayes** (2016) Rural youth: Mobilities, marginalities, and negotiations. In K Nairn & P Kraftl (Eds.) *Space, Place, and Environment*. Springer, Singapore, 463-480.
33. **McDonald P**, R Price & J Bailey (2013) Knowledge is not power, but it's a start: What young people know about their rights and obligations in employment. *Youth Studies Australia*, 32(2), 49-58.
34. Esders L, J Bailey & **P McDonald** (2011) Declining youth membership: The views of union officials. In R Price, P McDonald, J Bailey & B Pini (Eds.) *Young People and Work*. Ashgate, Surrey, 263-281.
35. Kellner A, **P McDonald** & JM Waterhouse (2011) Sacked! Workplace dismissals amongst youth employees. *Journal of Management and Organization*, 17(2), 226-244.
36. **McDonald P**, B Pini, J Bailey & R Price (2011) Young people's aspirations for education, work, family and leisure. *Work, Employment and Society*, 25(1), 68-84.
37. Price R, **P McDonald**, J Bailey & B Pini (Eds.) (2011) *Young People and Work*. Ashgate, Surrey.
38. Price R, J Bailey, **P McDonald** & B Pini (2011) Employers and child workers: An institutional approach. *Industrial Relations Journal*, 42(3), 220-235.
39. Price R, **P McDonald**, J Bailey & B Pini (2011) A majority experience: young people's encounters with the labour market. In R Price, P McDonald, J Bailey & B Pini (Eds.) *Young People and Work*. Ashgate, Burlington, 1-17.