

5 September 2024

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Universities Accord (Student Support and Other Measures) Bill 2024

I am writing in relation to Federation University Australia's (Federation) submission to the Senate Standing Committees on Education and Employment regarding the Universities Accord (Student Support and Other Measures) Bill 2024 (the Universities Accord Bill).

Federation broadly supports the measures in the Universities Accord Bill, with the following key considerations:

1. **Student Services and Amenities Fee:** The 40% mandate requires clarification for universities like Federation that do not have an independent student organisation. It is essential that settings provide maximum flexibility to ensure minimal disruption to existing arrangements, which deliver career, welfare, and advocacy services to students.
2. **Commonwealth Prac Payments:** The implementation of Commonwealth Prac Payments should support regional universities by providing a simple administrative process. Universities simply do not have the infrastructure, systems and capability to undertake Centrelink level probity and general financial checks. Federation strongly recommend that payments should be claimed as with the tax system, using self-assessment and any audit and recovery be undertaken through Services Australia or other appropriate agency. Additionally, for the large cohort of equity students, a “means test” should maximise the support available to regional students—ensuring that no student who is facing financial hardship is precluded from receiving a payment when they are required to undertake an unpaid mandatory placement under course requirements.

Federation is uniquely positioned to comment on this proposal, as a significant portion of our student cohort comes from disadvantaged or needs-based backgrounds. Specifically, 21.7% of our students come from low SES backgrounds, 36.5% are the first in their families to attend university, and 50.3% are from regional or remote areas.

Federation’s approach to best serve these students is to ensure locally available post-secondary education that connects them with local job opportunities. This is why Federation has partnered with over 100 local businesses and organisations across regional and outer metropolitan Victoria, forming the foundation of our Co-Operative Education Model.

I strongly welcome the recommendations of the Universities Accord Final Report (the **Accord**) and the Commonwealth Government’s approach to implementing reforms, particularly in relation to the Managed Growth Funding Model and the Needs-Based Funding Model.

The Accord rightly highlights that regional universities operate in a complex, multi-campus environment, serving regional communities with larger proportions of equity students. These circumstances present challenges not faced by metropolitan universities.

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However, I am concerned that there may be a misunderstanding of the critical role dual-sector, multi-campus regional universities play in the smaller communities we serve. This concern is particularly relevant following the formulaic approach taken during the development of the Education Services for Overseas Student Amendment (Quality and Integrity) Bill 2024. The implementation of that Bill raises strong concerns about how matters like financial sustainability, regional higher education jobs, student accommodation availability, and the regional skills pipelines crucial to supporting our regional communities are properly considered.

I urge the Committee to consider the views of Federation, the Regional Universities Network, and other regional universities when making recommendations on the Universities Accord.

This reform represents a significant opportunity to boost productivity, economic development, and prosperity across all Australian communities. However, it will only bring regional areas along on this journey in a fair and meaningful way if it considers the unique operational challenges faced by our regional institutions.

The Commonwealth Parliament, particularly the Senate, has a critical role in ensuring these reforms are designed to be fair, sustainable, and even more effective for all Australian communities.

Jaime de Ano, Executive Director, Government Relations and Public Policy, is my office's key contact on this matter (e: j.deano@federation.edu.au; m: 0428 435 096).

Yours sincerely



Professor Duncan Bentley
Vice-Chancellor and President

Federation University Australia Submission to the Senate Standing Committee Inquiry into the Universities Accord (Student Support and Other Measures) Bill 2024

Overview

As Victoria's only regionally headquartered university, Federation University Australia plays a critical role in educating large cohorts of students from equity backgrounds, including those from low socio-economic status, First Nations, and disability backgrounds, in particularly across the Wimmera Southern-Mallee, Ballarat, Greater South East Metropolitan and Gippsland regions.

Nearly all of Federation's educational and operating costs are dedicated to supporting these students, who are often the first in their families to attend university. This commitment to equity is reflected in the comprehensive support services Federation provide, which are essential for student success in accessible local post-secondary education linked to local employment opportunities.

The Universities Accord Final Report recognised the unique position of Australia's regional universities, and the financial challenges they face compared to metropolitan universities, given the large number of equity student cohorts we serve and the complexity of operating multiple campuses spread over regional areas.

The reforms in the Universities Accord (Students Support and Other Measures) Bill 2024 (Universities Accord Bill) are welcome because provide some support to our regional students. However, there are opportunities to ensure the Universities Accord Bill properly reflects the operating context of smaller regional universities operating.

Accordingly, Federation recommends:

- changes to the SSAF Mandate arrangements in Schedule 2 of the Universities Accord (Students Support and Other Measures) Bill 2024 to accommodate, and provide certainty to, smaller universities that do not have an independent student organisation and minimise the potential impacts it may have on the financial stability and support services Federation is already providing directly to equity cohorts in compliance with *Higher Education Support (Student Services, Amenities, Representation and Advocacy) Guidelines 2022*.
- consideration of the arrangements for the Commonwealth Prac Payment in Schedule 4 of the Universities Accord Bill to ensure the Bill supports can support the effective administration of the payments in a regional university context.

Additional details regarding these recommendations are set out below.

Federation broadly supports the measures in Schedule 1 that relate to HECS Indexation and Schedule 3 in relation to Fee-Free Uni Ready Courses, subject to the following:

- **Schedule 1 HECS Indexation Amendments** – Federation welcomes the changes to HECS indexation amendments but notes that while they limit the overall level of accumulated debt for students, and may incentivise some students to undertake further higher education, it does not offer immediate targeted relief to students facing cost of living pressures or highlight the net present value of post-secondary education.

Federation Solution One: The Commonwealth Government may wish to consider communicating to students more clearly the net present value of savings against average graduate salaries for key program outcomes to ensure there is a clearer understanding of the benefit of these reforms.

- **Part 3 Fee-Free Uni Ready Courses** – Federation welcomes more support for regional learners to prepare for post-secondary education through expanding the offering of Fee-Free Uni Ready Courses. However, it is important to note that these reforms increase the demand for important preparatory programs within cohorts who are from equity backgrounds and need significant support.

While it is a matter for the Albanese Government rather than the Commonwealth Parliament, Federation notes this will increase the strain on regional university resources, including technology, infrastructure and specialised support staff.

Federation Solution 2: Ensure the Needs Based Funding proposal is properly modelled on the cost of support equity cohorts by provides funding certainty through a block grant modelled on potential student demand and a more targeted "per student" model of enrolled student, rather than a pure model that funds the cost of each enrolled student that meets the equity criteria.

Federation does not have a view on Schedule 5 relating to Adelaide University in the Accord Bill.

Recommendations on Schedule 2 regarding the SSAF Mandate: Supporting universities do not have an independent student organisation

Federation does not have an independent student organisation. Instead, Federation has a Student Senate that actively represents students but requires significant support to operate effectively. While student voice is critical, it is essential to recognise that in some cases, students do not have the time or capacity to fully engage in the design or governance of service delivery that meets the needs of our diverse student community. A significant majority of Federation students are part-time, direct-entry, and mature aged with caring responsibilities.

As a result, Federation delivers the services outlined in the Higher Education Support (Student Services, Amenities, Representation, and Advocacy) Guidelines 2022 directly to our student community. We recognise that effective career, health, welfare, and advocacy services are critical for the success of our students, many of whom come from diverse equity backgrounds.

The proposed SSAF Mandate must consider the unique challenges faced by regional institutions like Federation. There are significant risks if the proposed mandate, which would redirect approximately \$1 million of funding for these services, leads to structural changes that disrupt the health, welfare, career, and advocacy services currently provided to our students.

Addressing ambiguity in the drafting of the Bill:

From the way Schedule 4 of SSAF Mandate is drafted, it appears to assume that a university will already have an independent student organisation that can 'receive' funds 'allocated' to it and can deliver services in accordance with the HSE Guidelines.

It is unclear whether the consequences of this drafting would require Federation to establish an independent student organisation or can accommodate Federation's existing arrangements. However, a 'forced' establishment of an independent student organisation create significant issues.

Concerns with a mandatory requirement to establish an independent student organisation:

1. **Capacity and Governance Challenges:** A sudden reallocation of funding without sufficient governance structures would jeopardise the delivery of essential services that our students rely on. Critical funding will also need to be diverted away from student services to provide increased administrative support and governance for this new operating model.
2. **Impact on Essential Student Services:** SSAF funds at Federation are currently used to support a range of critical non-academic services, including Careers and Employability, Student Advocacy, Orientation, student events and activities and operational support for the Student Senate. These services are particularly vital given the socio-economic challenges faced by our student body. Redirecting a significant portion of these funds to student-led organisations could severely reduce and compromise the delivery and effectiveness of these services, disproportionately affecting students from equity groups who comprise a majority of our student body.
3. **Industrial Relations and Workforce Impact:** The proposed mandate could introduce industrial relations complexities, potentially leading to disruptions in the employment of staff who currently deliver SSAF-funded services. This would place additional strain on regional universities like Federation, where resources are already limited, and could necessitate job losses or significant restructuring, further complicating our ability to provide stable and effective support to students.
4. **Flexibility and Local Context:** The proposed one-size-fits-all mandate does not account for the diversity of student bodies across Australian universities. Federation, as a regional institution with a unique and geographically dispersed student demographic, requires flexibility to allocate SSAF funds in a way that best meets local needs. Federation's commitment to equity-driven outcomes necessitates a tailored approach to funding that recognises the specific challenges faced by our students. This aligns with our advocacy for needs-based funding models that reflect the true cost of supporting equity cohorts.

Federation Recommendation One:

That the Bill clarify that:

- a university can "allocate" funding if it does not have an independent student organisation to receive the funds, based on consultation with a student representative group – i.e., it does not need to transfer any funds,

- a university that does not have an independent student organisation can enter into arrangements with student representatives to implement their view on the designated funds under the SSAF Mandate in a way that minimises the disruption to services,
- make clear that the SSAF Mandate does not require the university or the students of a university to establish an independent student organisation.

Recommendations in relation to Schedule 4 of Commonwealth Prac Payments: Ensuring the administrative requirements on a university are simple and the eligibility criteria supports regional students

Federation notes the amendments propose to make the Commonwealth Prac Payments will occur by a grant to universities so they can administer the payment in accordance with guidelines. It is important that it is recognised that smaller universities do not have the administrative capacity to undertake means tests or other acquittal requirements to administer payments efficiently.

In addition to this, 2023, Federation offered 550 domestic placement grants, totalling just over \$300,000, to support students who could not undertake a placement due to financial disadvantage. Federation University recommend payments from scholarships or grants received during placement should be excluded from any means test. In Federation University's case, these grants often involve weekly payments of \$200 or more to support students during placement.

Federation University has a significant population of mature age students with part-time work commitments to support families or overcoming other social or economic challenges while they are undertaking studies. This is a recognised and prevalent feature of regional communities that should not be penalised under a means test arrangement. Federation knows many of our students in these fields are women, and because of their later in life studies may experience changes in relationships that have implications for payments under social security arrangements.

Finally, Federation notes that in the regions there are a prevalence of skill shortages in other areas with unpaid mandatory placement requirements, in particular clinical psychology. It would be administratively clearer and simpler for the Commonwealth Prac Payment to cover all cohorts of unpaid placements in a regional context and avoid any issues of equity or market distortions caused by the Commonwealth Prac Payment (i.e., students choosing a course that is supported rather than one that is not).

Federation Recommendation Two:

That recommendations be made to the Commonwealth Government that in exercising the power to make the grant and issue guidelines the Commonwealth Prac Payment:

- implement an easy to administer Commonwealth Prac Payment process for universities to administer that does not involve the collection of personal or private information – for example the student self-acquits they will not be working another role to earn income during the unpaid placement. Self-assessment is the basis for the Australian tax system and should be applied here. Any audit and recovery of individuals should be separately undertaken by the appropriate Commonwealth agency with the relevant powers and capability.
- if any means test is required by the guidelines, it involves self-declaration and does not exclude any student on the basis they self-declare any scholarship or equity grant payment, partner income or welfare payments.
- open the Commonwealth Prac Payment to all students taking unpaid mandatory placements who are from an equity cohort – including First Nations, regional, low SES and disability backgrounds.