

## Improving equity in higher education participation

“a financial incentive to expand the enrolment of low-SES students, and to fund the intensive support needed to improve their completion and retention rates.”

Australian Government, *Transforming Australia's Higher Education System*, 2009, p14

Access to university is not drawn evenly from across Australia. It is skewed towards people living in better off areas, those living in cities and towards those whose families have experience of university. As JCU has recently shown 30% of school leavers in Cairns from 2015 headed to university in contrast to 73% of those from Inner City Brisbane.

IRU members have been committed since foundation to addressing the imbalance, encouraging students from all backgrounds and supporting all enrolled students to achieve their best.

The Higher Education Participation and Partnerships Program (HEPPP) is an important part of the suite of funding to encourage universities to educate Australians from all backgrounds. It complements demand driven funding that has supported a rapid expansion of places, with higher levels of low SES and Indigenous enrolments than previously. Together they have supported a notable increase in the total number of students from low SES Backgrounds faster than the overall growth in the number of students.

The current evaluation of HEPPP comes as the Government looks to substantially reduce funding to the program and reposition it to support its aims for fairness and equity.

### **Recommended action**

A funding stream tied to enrolments of low SES students and other underrepresented groups remains a core need of an effective higher education funding system. Based on the original proposal for HEPPP and redressing the history of its implementation the future scheme should involve:

1. inclusion of a significant loading in the Commonwealth Grant Scheme (CGS) addressing student background, to reward enrolment of a diverse student population broadly matching that of Australia;
2. maintenance of an effective HEPPP program targeting the development of interest in higher education among communities and individuals less likely to aspire to university and support for their educational development; and
3. sensible reporting and acquittal arrangements that do not hamper the constructive delivery of student supports.

### **The HEPPP Evaluation**

In summarising HEPPP as providing

“additional funding to universities to undertake activities and implement strategies that will increase access to undergraduate courses for individuals from low SES backgrounds, and that improve higher education retention and completion rates of low SES students”

the evaluation ignores the power of HEPPP as a financial incentive, not a cost offset.

In seeking detailed information about particular projects the evaluation over emphasises the importance of specific projects against the capacity of a university to structure its operations to

support all students with their needs, providing an effective education for students from any backgrounds.

IRU members have assisted the evaluation and will provide data where feasible and where it does not impinge on students' privacy.

However, IRU questions whether the evaluation can add usefully to previous planned studies through a quick analysis based on post hoc data collection. Previous studies, by amongst others La Trobe University led by Andrew Harvey, have shown that HEPPP activities work in general (e.g. outreach, scholarships, support), and explains why they work. The *relative* effectiveness of different programs is less clear, with the challenge of establishing causation prohibitively high in cost and impossible in many cases.

The positive data the evaluation can make public would be an analysis of the change of enrolments across each of the four socio economic quartiles, since three form four had been under-represented prior to the introduction of HEPPP and related measures, and further data on participation across the various regions (including city subsets) of Australia.

### ***HEPPP – one part of a suite of measures***

HEPPP was part of a multi pronged set of changes to fundamentally change who goes to university.

To provide universities with a clear incentive to improve enrolments of students from all backgrounds the *Review of Higher Education* (Bradley Review), 2008, recommended the creation of a reward funding element. The proposal targeted low SES Students as the largest set of under represented students who also had extensive overlap with other such groups including those from rural and regional areas and Aboriginal and Torres Strait Islander students.

It was to replace a long standing, moderately funded, equity program that focused at support for particular equity initiatives with extensive reporting and limited integration with mainstream university operations. Participation by some target groups had improved; participation by students from low SES backgrounds was on a slow and steady slide.

The major driver to expand enrolments has been demand driven funding that allows universities to enrol all applicants with the potential to complete the degree. It supports access from different backgrounds by reducing the focus on an applicant's relative standing compared with another applicant.

The Government improved student income support creating the Start Up and Relocation Scholarships, raising the living income of students eligible for Youth Allowance and reducing the need to earn income, thus reducing pressure on study time.

The original Government decision also included performance driven funding elements targeting retention and completions for selected equity groups, providing a further incentive and lever.

No evaluation of HEPPP can be effective that ignores the interaction of the various elements or assumes that HEPPP itself was to be the sole agent of change.

### ***HEPPP implementation: awry from the start***

The Government in 2009 created HEPPP under the Other Grants section of the Higher Education Support Act. It had two elements:

- 25% for outreach to encourage participation in university, called Partnerships; and
- 75% of funding, based on the number of low SES student enrolled called Participation.

The initial mistake was not to hold to the Bradley proposal for these two elements to be funded differently due to their different natures. Bradley, recommendation 31, proposes ‘a new program for outreach’ and ‘a loading paid to institutions enrolling students from low socio economic backgrounds’. The loading approach would have generated much less input controlled accountability and ensured that funding remained the same per low SES student over time.

As it is, after reaching its full 3% of base funding in 2012, the participation incentive per student began to reduce since, with the total funds fixed and the number of low SES students growing, the funding per head reduces each year. The *Higher Education Base Funding Review* (October 2011) recommended (Recommendation 27) that there be a set rate per student but this has not been implemented.

### **Stimulating long term demand for higher education**

The Partnerships element has involved base payments to each university and several rounds of projects to support universities engaging better with schools and other sources of potential students. The IRU comments concerning reporting and acquittal apply less to this part of HEPPP.

The focus on ‘partnerships’ emphasises the process over the aims intended. Its objectives are long term, making assessment of outcomes at this point likely premature and longer term difficult to isolate from other actions to encourage interest in higher education and the long term trend for more people to seek it.

### **Applying accountability measures to hinder effective use of HEPPP Participation**

The Participation program was implemented with the reporting accountabilities of the previous, Higher Education Equity Program (HEEP), rolled over, ignoring that it was created to be more effective than HEEP not replicate its limitations. Those accountabilities include an ongoing focus on reporting specific activities and acquittal of the funds, both of which discourage an integrated approach to student services delivery that ensures all students gain needed support.

Further, the reporting that universities meet for the smaller programs such as HEPPP are more intensive than for the major Commonwealth Grant Scheme and research block grant programs. The result, as PhillipsKPA showed in the *Review of Reporting Requirements for Universities*, December 2012, is that the reporting costs are proportionately high.

As an incentive program the key issue is whether universities respond in the way expected. A successful participation outcome will be where people from all backgrounds enrol in similar proportions, with universities’ services effectively supporting all enrolled students based on the needs of each student through a whole of institution approach.

By providing funding that rewards doing so successfully, with the risk of losing funding if numbers drop, removes the need to monitor closely the specific activities and expenditure a university may undertake to achieve a positive result. Sharing of approaches is important but is rarely done well through the prism of program accountability.

Effective action needs to be whole of university, drawing on the full suite of revenue sources including CGS funding for students. If universities are forced to demonstrate how funds are used they

will be less likely to integrate them with base funding and be more likely to engage in distinct, easily marked projects.

Some of this is driven by an over-focus on specific supports for low-SES students alone, rather than reporting the full suite of activity. The essence of the program is that overall there are barriers that hold back low-SES enrolments. It does not mean every low-SES student needs a mark on their head signifying ‘help needed’ but that universities need to ensure they have support systems that target potential problems for students which all students needing such help will use. Many will be low-SES, some will be high-SES. The more the service is integrated the more successful it will be.

### **Using HEPPP effectively**

The ability to use HEPP to round out the CGS is critical to encouraging universities to take up students from all backgrounds by weighting funding slightly towards universities with greater numbers of students likely to require support whether they are low SES or not.

A greatly reduced HEPP will lose this impact. As the Table shows the Government plans to cut HEPP significantly, down close to half the initial program, with the main reduction set to come in from 2019-20. The impact will be to greatly reduce the incentive to improve access from people with backgrounds currently less likely to access university.

The IRU position is that the main element of HEPPP, funding driven by enrolment of low-SES students, should be considered as part of the Commonwealth Grant Scheme on the basis that the focus should be to improve the incentive for enrolment rather than target a set of particular projects within universities.

The participation payment per low SES student should be a loading added to the commonwealth grant scheme. That would emphasise the payment is over and above discipline-driven allocations to supplement a factor they do not cover.

As a loading it would expand as student numbers grew. There would be no need for complicated reporting.

### **Rise and fall of HEPPP funding: Budget Estimates 2011 to 2016**

Budget Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
2011	84.8	145.5	181.1	187.6	194.2					
2012		152.2	167.7	179.6	191.3	205.1				
2013			167.7	177.5	185.6	197.3	190.7			
2014			0.0	165.6	158.9	181.6	173.0	177.2		
2015			0.0	0.0	163.7	175.6	170.7	173.8	186.9	
2016			0.0	0.0	0.0	179.6	146.6	144.0	152.3	110.3

### **Other options**

The Government’s discussion paper *Driving Innovation Fairness and Excellence* (May 2016) floats the option of changing the whole approach to HEPPP as a means to deal with the planned major reduction in funding, raising the prospect of scholarships. There is little in the evaluation process to support considered discussion about whether other options would be a more effective use of the remaining funding.

The review should look at options to increase the performance incentive, such as requiring a minimum number or proportion of low-SES students for a university to be eligible for funding and moderating the amount of funding for retention. This would be similar to the changes announced for indigenous support funding.

IRU has long argued that better student income support is one crucial element to allowing students sufficient time for study to gain the most from their degrees. The Start Up and Relocation scholarships were a major initiative to reduce the pressure on study time. The conversion of Start Up scholarships into an income contingent loan still permits students to access the income but at the expense of future debt and more pressure on the HELP scheme. It would be strange, albeit worth exploring, if remnant HEPPP funds were channelled at income support scholarships. Further comment requires greater explication of what is intended to weigh up the balance of better student income against reductions in student supports.

### ***Conclusion***

Without a constructive Government response to the evaluation, the next round of HEPPP cuts risks undermining a program critical for educating all students well. It is essential that the long-term program, sustains the incentive to enrol all suitable students regardless of background.

Hence a funding stream tied to enrolments of low SES students and other underrepresented groups remains a core need of an effective higher education funding system.

Based on the original proposal for HEPPP and redressing the history of its implementation the future scheme should involve:

1. inclusion of a significant loading in the Commonwealth Grant Scheme (CGS) addressing student background, to reward enrolment of a diverse student population broadly matching that of Australia;
2. maintenance of an effective HEPPP program targeting the development of interest in higher education among communities and individuals less likely to aspire to university and support for their educational development; and
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