Dr Michael Spence  
Vice-Chancellor and Principal

Friday, 10 October 2014

Senator Bridget McKenzie  
Senator for Victoria  
Chair, Senate Standing Committee on Education and Employment  
By email: eec.sen@aph.gov.au

Dear Senator McKenzie,

**Higher Education and Research Reform Amendment Bill 2014**

Thank you for the opportunity to make a supplementary submission to the Committee's important inquiry into the *Higher Education and Research Amendments Bill 2014* (the Bill).

As advised in our initial submission of 22 September 2014, the University of Sydney is committed to consulting widely with students, staff and alumni about how it should respond to the Government's reforms if implemented. To that end, we have already held a number of consultation forums for staff, students and alumni, including an open Town Hall for the whole University community (attended by over 400), briefings of student and staff organisations and open meetings for all staff in each faculty.

As part of this process we also conducted a focus group event on 2 October 2014 with 86 students, staff and alumni, where participants sat in small groups to discuss in detail key propositions about how the University might respond to elements of the legislation. I write to provide the Committee with the outcomes of that event relevant to its consideration of the Bill.

In addition to the focus group discussions participants were invited to complete a survey about the key elements of the Government's proposed reforms to higher education funding. Details of the survey questions and results are included in the [attachment](attachment), but in summary, of the 37 participants who completed the survey, the overwhelming majority of respondents were in disagreement or strong disagreement with the proposed:

- 20% average cut to funding for per Commonwealth Supported Places
- introduction of a commercial interest rate of up to 6% to HECS debts
- cuts to funding for research higher degrees and the introduction of tuition fees for research students, and
- full flexibility for providers to set tuition fees for Commonwealth supported students.
On the other hand there was clear support for the proposition that providers should be required to use 20% of additional revenues from higher fees to provide financial support for disadvantaged students. Views were more evenly split around the proposition that public funding should be made available for non-university providers and international universities.

The actual focus of the consultation group discussion, however, was on how the University should respond in terms of strategies to maximise equity of access and manage the impacts of funding cuts, in the event that the proposed reforms are passed by the Parliament. On these questions, participants were more clearly divided. Of particular note was the broad consensus that equity of access should be maintained as a priority, along with the diversity of the student body and the course offerings provided by the University.

This feedback reflects comments in our 22 September submission, where we expressed concern regarding the impact on equity of certain elements of the proposed legislation. It is clear from our consultations that students from different backgrounds will require different types of financial assistance to help them access University in the first place, and make it through their studies successfully.

Students have suggested that consideration be given for financial aid packages that could include: a mix of scholarships paid as stipends to help cover living expenses; subsidised accommodation; assistance with books and other incidentals; subsidised access to childcare and other services; and fee relief.

We have also engaged the Head of our School of Economics, Professor Colm Harmon, a leading international expert in higher education funding to canvas the existing scholarship on supporting equity and access to higher education. Professor Harmon is assisting the University in developing an options paper that will canvas innovative ways of providing effective measures to encourage participation without imposing significant administrative burdens on institutions, including systems of support canvassed above as well as measures for contributing to paying off the debt of graduating students from disadvantaged backgrounds.

In this context we note that at present Schedule 2 of the Bill establishes the legal framework by which providers will be required to use the 20% of any additional revenues derived from higher tuition fees to assist students from disadvantaged backgrounds. We support this proposition. According to the schedule these funds will administered at the institutional level, allowing providers to tailor support packages to meet the needs of individual students.

While we welcome the proposed flexibility and support for institutional autonomy, we note that the detailed requirements for the use of these funds are to be included in the Commonwealth Grant Scheme Guidelines or in each provider’s funding agreement with the Commonwealth. It is the University’s firm belief that providers should be given maximum flexibility to determine how these and other funds are used to assist individual students, with the corollary that they report on the use of these funds, rather than have their distribution controlled by the overly prescriptive requirements in subordinate legislation or funding agreements.
We urge the Committee, in considering the Bill, to ensure that consideration is given to maximising the flexibility that providers have over the administration of scholarship funds under Schedule 2 and the proposed amendments to the Commonwealth Grant Scheme Guidelines.

Yours sincerely

[Signature]

Stephen Garton
Provost and Deputy Vice-Chancellor
Acting Vice-Chancellor

Attachment Summary of the survey completed by participants in University of Sydney consultation session on the higher education reforms held on 2 October 2014.
Budget Response Consultation Event Survey Results

Background

This survey was conducted during the University of Sydney Budget Response Consultation Event held on 2 October 2014. Of the 86 participants in the event, 37 people chose to complete the survey (24% undergrad, 5% postgrad, 11% higher degree by research, 27% academic staff, 22% professional staff and 11% alumni).

Results

1. Public funding to Australian universities should be cut by an average of 20 percent per Commonwealth Supported Place.
   97% disagree or strongly disagree.

2. Access to public funding should be expanded to include non-university providers (eg TAFEs) and international universities.
   33% agree or strongly agree; 35% disagree or strongly disagree.

3. Universities should be given full flexibility to set the tuition fees they charge Commonwealth Supported Students.
   79% disagree or strongly disagree; 16% agree or strongly agree.

4. Universities should be required to use 20 percent of any additional revenues raised by higher fees to provide financial assistance for students from disadvantaged backgrounds.
   73% strongly agree or agree; 11% disagree or strongly disagree.

5. A commercial interest rate should be applied to student loans (up to 6 per cent) through HECS rather than the current Consumer Price Index.
   87% disagree or strongly disagree.

6. Public funding to support research degrees should be cut with universities permitted to charge domestic students tuition fees, where payments can be deferred through HECS.
   81% disagree or strongly disagree.

A selection of comments

- The University of Sydney should lead the way in fighting against deregulation, and advocating for more public funding.
- [I would hate] to see Australia end up with an American higher education system.
- Deregulation of fees will discourage Australians from higher education.
- Central focus of lobbying should be on HECS changes and opposing the 20% cuts.
- Fee deregulation is something that has to happen – once done the market will settle.