

SUBMISSION

Submission to the Education and Employment Legislation Committee

**Submission to the inquiry into the
Universities Accord (Student
Support and Other Measures) Bill
2024 [Provisions]**

6 September 2024

The Australian Academy of Technological Sciences and Engineering (ATSE) is a Learned Academy of independent, non-political experts helping Australians understand and use technology to solve complex problems. Bringing together Australia's leading thinkers in applied science, technology and engineering, ATSE provides impartial, practical and evidence-based advice on how to achieve sustainable solutions and advance prosperity.

The Universities Accord has outlined the generational reforms needed for the higher education sector, with deep engagement from stakeholders to outline a vision and a pathway towards the higher education system that Australia needs. The *Universities Accord (Student Support and Other Measures) Bill 2024 [Provisions]* will enable the first stage of the Australian Government's response to the 47 Universities Accord reforms, as well as permitting the merger of the University of Adelaide and the University of South Australia. ATSE welcomes the Universities Accord reforms in this Bill as facilitating fairness and equity for many students, enabling growth of tomorrow's skilled workforce. ATSE takes particular interest in the creation of placement payments and recommends that this is extended to engineering students, targeting the critical engineering shortages.

ATSE makes the following recommendations for this inquiry:

Recommendation 1: Lay out a staged approach to Universities Accord implementation.

Recommendation 2: Extend placement payments to include compulsory engineering placements.

Recommendation 3: Redesign the distribution mechanism of the placement payments scheme to improve accessibility and efficiency.

Recommendation 4: Repeal the Job-Ready Graduates package.

Illuminating the pathway for the Universities Accord reforms

This Bill represents the first stage of Universities Accord implementation. It will legislate the reforms announced in the 2024-25 Budget including creating placement payments, capping HELP indexation, delivering free university pathway courses, and changing the Student Services and Amenities Fee distribution. ATSE [welcomed](#) the announcements of creating placement payments and changing HELP indexation earlier this year (ATSE 2024). These changes will evolve the higher education system to make it easier for students to engage in and complete their studies.

It is pragmatic to split the Universities Accord findings so priority recommendations can be implemented now. As noted by the Minister for Education, the Hon Jason Clare MP, in his second reading speech, the Accord's recommendations will need to be implemented in stages. The Government has responded to 29 of the 47 Accord recommendations. It is important that the Government continues this reform following the first stage of legislative changes.

Many higher education stakeholders have been deeply involved in the development of Universities Accord. Feedback was sought throughout, from the Terms of Reference up to implementation. ATSE notes that the Department of Education is currently consulting on several elements of the Accord's recommendations, and welcomes the establishment of an Implementation Advisory Group to enable further consultation and engagement for the remaining reforms. Clarifying the implementation timeline and government responses to the remaining 18 recommendations would honour the time and engagement of stakeholders throughout this process, providing certainty about the reforms articulated in the Accord final report.

Recommendation 1: Lay out a staged approach to Universities Accord implementation.

Addressing workforce shortages with placement payments

Delivering placement payments will enable more students to reduce financial hardship, complete their studies, and enter the skilled workforce. The Commonwealth Prac Payment (CPP) will support payments for students in teaching, nursing, midwifery and social work during mandatory placements from July 2025.

ATSE welcomes this measure, particularly for teaching students given the acute shortages of in-field mathematics and science teachers. However, the CPP will not apply to other critical areas of workforce shortages. ATSE advises that engineering placements be included in the CPP program. Extending paid placements to engineering students would be one mechanism to support growth of the future workforce.

With engineering disciplines in current and projected future shortages, as highlighted by ATSE's 2022 report [Our STEM Skilled Future](#), failing to train more engineers will risk not meeting national ambitions. Engineering professions including electrical, chemical, civil and mining, as well as related STEM (science, technology, engineering and mathematics) professions, will be critical to delivering the energy transition and infrastructure ambitions of the federal and state governments.

Excluding support for engineering students with placement payments is also a barrier to improving diversity in engineering, as historically underrepresented groups may be less able to weather the cost of an unpaid placement. The impact of financial support for diverse students is demonstrated by ATSE's [Elevate](#) program, which has a 98% retention rate for scholars. Elevate awards undergraduate and postgraduate scholarships to women and non-binary people to study degrees, with the aim of addressing gender inequities in STEM, focusing on disciplines where women are least represented and workforce need is highest. Scholars can use the funds in ways that most benefit them – such as towards housing, childcare, or computers. While the program goes beyond financial support (including professional development, mentoring, networking and psycho-social support), scholars have reported that this funding removes a primary barrier to STEM education, enabling them to focus on their studies.

ATSE's Elevate outcomes would support the imperative to widen student income support access to improve retention. ATSE recommends that compulsory engineering placements attract placement payments, and that this addition to the CPP program is budgeted for in the 2025-26 Federal Budget.

Additionally, it is vital that the CPP is designed to be administratively accessible for the students that qualify for payments. Andrew Norton's analysis has highlighted that it will be difficult for universities to directly administer the means-tested payments (Norton 2024). The proposed scheme would require students to give higher education providers their financial information to prove eligibility. Options to support ease of access to the payment include having the program delivered by Centrelink (noting the limitation that some recipients may not be receiving other Centrelink payments) or the Australian Taxation Office, or removing means-testing from the scheme. Improving design of the CPP with a view to accessibility and efficiency would be a desirable outcome of this inquiry.

Recommendation 2: Extend placement payments to include compulsory engineering placements.

Recommendation 3: Redesign the distribution mechanism of the placement payments scheme to improve accessibility and efficiency.

Aligning higher education funding to desired outcomes

This Bill does not address the need to roll back the Job-Ready Graduates (JRG) funding scheme. JRG is a misaligned policy that creates unintended outcomes harmful to the future skilled workforce.

The JRG package reduced student fees for STEM degrees, ostensibly to incentivise students to take these courses. This is despite students not generally being sensitive to price signals in choosing their courses, instead focusing on their interests and career outcomes (Norton 2020). By reducing fees without additional government contributions to make up this amount, JRG package reduces per-student revenue generated by STEM courses, disincentivising universities to deliver these courses which may have undesirable long-term effects on the availability of STEM degrees. This is one of the perverse outcomes warned about in ATSE's 2020 submission to the JRG Bill (ATSE 2020). At the same time, JRG financially punishes students for undertaking arts and humanities courses, despite the importance of these skills to the future workforce. The JRG package has been characterised as a "complex web of incentives and disincentives that work against education, social and economic outcomes" (Australian Academy of the Humanities 2020).

With the Universities Accord (Student Support and Other Measures) Bill designed to implement the first tranche of higher education reforms, reversing the per-student funding decline for STEM degrees created

by JRG should also be seen as a priority. This would support alignment between funding incentives and the desired outcome of a STEM-skilled workforce.

Recommendation 4: Repeal the Job-Ready Graduates package.

ATSE thanks the Education and Employment Legislation Committee for the opportunity to respond to the consultation on the Universities Accord (Student Support and Other Measures) Bill 2024 [Provisions]. For further information, please contact academypolicyteam@atse.org.au.

References

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