

INCREASING OPPORTUNITIES TO PARTICIPATE IN HIGHER EDUCATION

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According to international league tables and most ways of assessing quality, Australian higher education fares well. Many of our universities can be found among the top 500 on the Shanghai Jiao Tong list of research universities (although not at the very top) and our higher education institutions are also rated highly in the Times Higher Education league tables. Large numbers of international students choose Australia as a place to study making our institutions, per capita, among the most international universities in the world. Clearly, there is a lot to be proud of, but there are also some persistent unresolved problems.

One of these problems is the continued under-representation of students from low-income backgrounds in Australian universities. Unless we believe that students from working class families lack the ability for university-level study, their absence from our campuses represents not only a loss to them and also to society, which will not benefit from their full contribution. It is not fair to expect universities to make up for poor schooling and other forms of deprivation, but there are some things that universities can do to make the system fairer. Here are six steps that we can take right now.

1. *Permit students to borrow the cost of accommodation, subsistence books and transport and repay them through the HECS system*

The HECS system—income contingent loans for fees repayable through the tax system once graduates reach an income threshold—is a fair arrangement. It makes it possible for students to attend university without having to pay any fees up front and without having to worry about defaulting on loan repayments because of economic circumstances such as job loss. But fees are not the only cost of attending university. Students must also have a place to live, a way to get back and forth to university, food to eat and they must be able to afford textbooks. For students from the lowest income families, these costs are enough to keep them from attending university. If they were allowed to package their living costs with their fees, attending university would really become a matter of brains rather than pocketbooks.

The ability to borrow for living costs would also have the extra effect of making students more mobile. Unlike their peers in the USA, the UK and elsewhere, most Australian students live at home and few move interstate. This leads to weird imbalances—too few students in one state and too many in another. Some universities have places they cannot fill while universities in other states are turning students away. This would change if students could borrow accommodation and therefore afford to move interstate.

2. *Charge a real rate of interest on HECS loans and target any subsidy to those who really need it*

It would be easy to add living costs to HECS loans and ask students to repay both once they reach a certain income level. But it would be expensive because HECS loans are heavily subsidised by the taxpayer (they do not attract a real rate of interest).

This subsidy goes to all graduates, including merchant bankers on seven-figure incomes. Charging a real rate of interest is more equitable because everyone pays tax, even those who do not go to university. The result is that taxes paid by non-graduates (who, on the whole, make lower salaries than university graduates) contribute to the HECS interest subsidy which benefits high paid graduates. This is regressive—lower paid workers subsidising those who make higher salaries. If there is an interest subsidy, it should be targeted at graduates who pursue essential but lower paid careers such as nursing, policing and teaching—at least they really need it.

(For more on this issue, see:

<http://www.timeshighereducation.co.uk/story.asp?storyCode=401216§ioncode=26>

3. *Establish a national admissions system—and make it comprehensive*

Interstate movement is not only limited by finances, it is also inhibited by separate state admissions systems. It is ludicrous that different states use different methods to rank applicants. This is a modern equivalent of different gauge railroads. There should be a single national system established. The national entrance system should not rely solely on the current method of ranking but use a comprehensive set of predictors. Information about students' backgrounds, references from teachers and employers and entry tests, such as the ACER's Unitest, give universities a broader picture of an applicant's potential and allow them to find hidden talent that may not be reflected in the statistical rankings now used to determine tertiary entrance. A comprehensive set of predictors will also allow universities to select a more diverse student body. Diversity brings benefits of its own. Exposing students to peers from different backgrounds is an important part of their education. My review of admissions in the UK summarises the arguments for comprehensive admission systems and diverse student bodies in more detail than is possible in this submission (see: www.admissions-review.org.uk/)

4. *Make all scholarships “needs based”*

Most university scholarships go to students who perform well in secondary school. Universities want to attract these students because enrolling the most gifted students increases an institution's prestige. In effect, universities pay some students to enrol. Many high performing students come from wealthy families; they would have gone to university whether they received a scholarship or not. The scholarship money does not change their lives. For students from low-income families, a scholarship can be a life-changing experience. Universities such as Harvard or Stanford award all of their financial aid on the basis of need; we should be doing the same. For an example of a needs-based policy, see: http://www.law.berkeley.edu/students/financial_aid/

5. *Provide students with the information they need to be informed consumers*

Students are being asked to pay more and more for their university education, yet they often lack the information required to be informed consumers. Simple information, such as the employment rates of graduates broken down by courses and institutions or student evaluations, is either unavailable or exceedingly difficult to access; students have great difficulty comparing universities. Sometimes, this lack of information

works against equity. Here is an example. Some universities publicly advertise course entrance cut-offs and then accept students with lower marks. Universities do this to keep up appearances by seeming to have high entrance criteria. The problem is that students “in the know” (mainly those from schools with advisers who understand the system) apply even though their entrance scores do not satisfy the established cut-off. They know that they will get in anyway. Students from naïve schools, remote schools, for example, with little experience of higher education, think the cut-offs are legitimate and fail to apply even though they would have been admitted. An equitable system should not be vulnerable to such gaming. Employment outcomes, student evaluations and actual entry cut-offs of admitted students are available to all students in other countries (see <http://www.unistats.com>). They should also be made available to all students in Australia.

6. *Establish an independent higher education research and policy institute*

There is a dearth of information and independent policy advice on higher education. We are forced to make policy based on information gathered in other countries. We need a research and policy institute that can identify important issues, collect the necessary evidence and conduct high level research that can be used to support evidence-based policy making. For an example, see <http://www.hepi.ac.uk/>.

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