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13 July 2017

Professor Peter Shergold
Chair, Higher Education Standards Panel
c/- Department of Education and Training
C50MA7, GPO Box 9880
Canberra ACT 2601

Dear Professor Shergold,

RESPONSE: IMPROVING RETENTION, COMPLETION AND SUCCESS IN HIGHER EDUCATION

Please find below a brief submission on behalf of the Group of Eight (Go8) in response to the Panel's paper of 9 June 2017 *Improving retention, completion and success in higher education*. The Go8 commends the Panel on the release of this paper and notes the identification of trends and possible factors that may be driving the rates of student success, retention and graduate completion in Australia's higher education sector. This submission sets out, at a high level, the views and concerns of the Go8 noting that member universities may also make their own, more detailed submissions.

Recommendations

- That full degree completion for all commencing students must remain the focus of university education.
- That proposals to link student retention, success and completion to funding outcomes should be re-examined to avoid unintended consequences for students and institutions.
- That as a priority, the Government move to develop a process to deliver a single unique student identifier for use across Australia's tertiary sector.
- That enhanced access to clear and accurate admissions-specific information for prospective students seeking to engage in higher education would offer significant benefits to retention and success.
- That any form of success or completion risk calculator or 'predictor' is to be strongly discouraged.
- That TEQSA, using existing regulatory tools available, consider whether taking a more investigatory approach may be warranted in cases where there are issues of concern.

Discussion

Any discussion on university success, retention and completion must place the interests of students at the centre. It must also be recognised that a university education may not suit every person's preference,

circumstance or situation. Alternative pathways to lifting educational attainment outside the university context should be valued and supported. Universities must make socially and economically responsible decisions about the encouragement and support of aspiration and participation within their institutions.

The Go8 strongly believes that there must be a focus on **completion** through the degree program. Access to and participation in higher education without completion can have substantial social costs including higher individual debt with reduced capacity to repay and reduced relative social mobility, with professional fields being a particularly good example.

In considering the issues raised in the Panel's paper, it is noteworthy that '...student characteristics appear to explain only a small part of the overall variation in student attrition while institutions appear to play a larger role...' Further, the Panel highlights that measurable factors like student and individual characteristics '...explain only a small amount, 22.55 per cent, of the overall variation in attrition.'¹

In other words, 77.45 per cent of the variation in attrition is due to factors that we do not understand sufficiently well enough and upon which there is no firm basis to make public policy decisions.

A focus on completions

The Go8 would be very concerned if there were any suggestion that an incomplete degree were to, in some way, become an acceptable standard or norm in Australian higher education.

A paper published earlier in 2017 notes that students receiving some higher education fare better than those receiving none.² This should not be surprising, however it should not be accepted as a proxy argument for the acceptance of higher levels of non-completion in our sector. All institutions would anticipate that there would be some benefit to any experience of higher education, but complete higher education is necessary for entry to fields with professional accreditation for example. Complete higher education is an essential element of accomplishing the benefits of the undergraduate experience.

Core to these issues is the coherence of the bachelor degree, the nature of the bachelor degree as developmental and the basis for higher degree attainment. A complete undergraduate experience is pivotal to the concept of well-rounded graduates and to enhanced graduate employability.

Only a complete higher education will afford students access to the major professional fields such as accounting, law, dentistry and the myriad other professions that require university qualifications and the associated social mobility. ***Partial completion cannot become an accepted standard or norm in the Australian higher education***

¹ As the report notes, there are student traits not measured in the regression analysis (such as resilience and motivation) and these may account for attrition. Higher Education Standards Panel; *Improving retention, completion and success in higher education*; 2017; Australian Government.

² Grove, J; *Some college 'is better than none', study suggests*; Times Higher Education; 26 January 2017
https://www.timeshighereducation.com/news/some-college-better-none-study-suggests#survey-answer?_cldee=YXBvQGFjY2Vzc2FwLmNvbS5hdQ%3d%3d&recipientid=contact-5c20cff9a523e61180e2c4346bb508dc-f1cc2c2e5c8b4b35bb207a70c1359211&esid=0ae6e792-2d09-e711-80fe-c4346bc5779c.

sector. Indeed, it might be argued that in the current framework, university leaders and teachers have an ethical obligation to work with students towards completion and not to accept non-completions.

On the issue of ethics and social responsibility, Bamber and Tett argue, 'Higher education must accept that the implications of offering access to non-traditional students do not end, but rather begin, at the point of entry'.³ Beyond this, as Vincent Tinto has stated, '...access without support is not opportunity. Thus, institutions recruiting students must put in place a strategy to support them to be successful'.⁴

While there will always be a level of non-completion for a variety of reasons, agreeing to and accepting a rate of non-completion at the sector level sets an expectation of failure and begins to erode the integrity of institutions, the sector and the degree itself.

There is also a broad public policy question of the acceptable level of debt to be incurred by the taxpayer and the likely rate at which this might be repaid. Students who don't complete their degree programs have reduced access to enhanced social mobility that completion would provide. As a result, they also have less access to higher income employment, yet they are still left with a HELP debt for their partial degree. These are issues the Government must take seriously as it would appear that greater degree completion is something that should be a focus for all institutions.

This is particularly the case for students from educationally disadvantaged backgrounds for whom access and participation at university and in the labour market are already problematic. Improving completions for these groups is important in working to break entrenched often generational disadvantage.

Recommendation:

- That full degree completion for all commencing students must remain the focus of university education.

Unintended consequences arising from incentive-based funding links to attrition rates.

The importance of taking account of the contextual factors for each institution when examining trends in student success, retention and completion are highlighted in the recent report by the Tertiary Education Quality and Standards Agency (TEQSA): *Characteristics of Australian higher education providers and their relation to first-year student attrition*.⁵

The TEQSA report notes that there are factors associated with institutions that show high levels of attrition for first year students and that TEQSA may use these factors in more targeted activity against the Higher Education

³ Thomas, L; *Building student engagement and belonging in Higher Education at a time of change: final report from the What Works? Student Retention & Success programme*; What works? Student retention & success; July 2012; p7

⁴ Ibid

⁵ *Characteristics of Australian higher education providers and their relation to first-year student attrition*; Tertiary Education Quality and Standards Agency; June 2017

Standards Framework. This work is about risk management, risk mitigation and quality assurance and takes account of the context within which each institution operates.

Direct comparison of attrition rates in Australia with overseas rates is problematic and this has been highlighted recently by TEQSA.⁶ At the same time however, in the context of the OECD nations, university attrition rates in Australia ‘...based on cohort analysis are currently and for the last ten years have been around the OECD average’ although well below the UK and the US.⁷

The proposal in the Higher Education Standards Legislation Amendment (A More Sustainable, Responsive and Transparent Higher Education System) Bill 2017 (the HESLA Bill) to link funding to rates of retention (and by association, to attrition), success or completion among other factors, is likely to create perverse incentives for institutions and the Go8 opposes this measure (together with the entirety of the Bill). As the Panel notes, there is a range of student characteristics associated with lower levels of attrition and increased levels of student success. These characteristics intersect with institutional ones that are also highlighted in the TEQSA report referred to above.

By linking funding outcomes – particularly the Commonwealth per student subsidy – to indicators such as attrition rates, a clear incentive is created for institutions to refocus their mission and alter their student recruitment strategies. Not only will this likely have a damaging effect on aspiration and access for prospective students, it could also change the nature of universities. This may be most keenly felt in those areas where students are not afforded as much choice in the selection of institution as those in major metropolitan centres. Such changes in institutional behaviours would directly conflict with other aspects of Government policy priority.

Policy settings must recognise and appreciate differentiation in university mission and support choice for students.

Where there are concerns about individual institutions’ rates of retention, success or completion, then the sector quality assurance body, TEQSA, can take steps to engage with that institution to work on strategies to improve those outcomes for students. This is an important role of any quality assurance agency. To link funding to these rates, however, is a retrograde proposal that seeks to punish behaviour rather than reward improvement.

Recommendation:

- That proposals to link student retention, success and completion to funding outcomes should be re-examined to avoid unintended consequences for students and institutions.

Improved decision making and enhanced data integrity

⁶ Op cit, p26

⁷ Ibid

A clear limitation in the collection and dissemination of information in Australian education policy making and program management is the lack of a single student identifier across education sectors. While the Panel's paper uses the Commonwealth Higher Education Student Support Number (CHESSN), this number is restricted to domestic students in receipt of Commonwealth assistance for their studies.

In 2015 there were 176 providers registered with TEQSA; 38 listed on Table A and four on Table B of the *Higher Education Support Act 2003* (HESA). While the remaining 134 providers account for a small proportion of the student population in higher education (universities accounting for over 93% of the EFTSL in the sector), their activities and the decisions of their students must nevertheless be part of the public policy formulation and decision-making process.⁸⁹ In the vocational education and training sector by comparison, the Australian Skills Quality Authority has regulatory responsibility for over 4000 VET providers (there are a small number of VET providers not regulated by ASQA)¹⁰. In 2015 there were close to 4.5 million VET students in Australia, and all students undertaking nationally-recognised training are required to have a Unique Student Identifier (USI). To ensure a comprehensive picture of student movement and choice across and within the tertiary sector, both the CHESSN and the USI need to be used and matched to the same individual.

Currently, this is a virtually impossible task. As a result, it is not possible to make meaningful assessment or decisions in relation to the student success, articulation and completion across VET and higher education. There is also no cohesive tracking in these data of success, retention or completion by international students.

The Go8 believes it would greatly enhance public policy formulation and program delivery if a single student identifier across all Australian tertiary education were implemented. The expansion of this to the school sector – a single, student identification number from primary school through to PhD – would provide great benefit and understanding in student behaviour and needs.

Recommendation:

- That as a first step and as a priority, the Government move to develop a process to deliver a single unique student identifier for use across Australia's tertiary sector.

Access to admissions-specific information

The Go8 has stated previously that we support measures to enhance transparency in admissions process and that those processes should place students at the centre.¹¹ The Go8 has also provided feedback to the process

⁸ *Statistics Report on TEQSA Registered Higher Education Providers*; Tertiary Education Quality and Standards Agency; May 2017.

Higher Education Support Act 2003; <https://www.legislation.gov.au/Details/C2017C00003>

⁹ Op cit; TEQSA; June 2017

¹⁰ *Annual Report 2015-16*; Australian Skills Quality Authority.

¹¹ The Go8 supported the 14 Recommendations of the Panel's 2016 Report: *Improving transparency of higher education admissions*; Higher Education Standards Panel; November 2016; Australian Government.

led by Professor Kerri-Lee Krause on an Admissions Transparency Joint Implementation Working Group to give effect to those recommendations.

The Go8 reiterates the view expressed in the submissions made to the Panel in 2016 and also to the Joint Implementation Working Group.

In the context of the Panel's report into retention, success and completion, the Go8 would like to highlight the need to ensure that admissions information provides the maximum clarity possible for prospective students. Ensuring admissions-specific information is readily available for prospective students is essential. It is also essential to ensure that the information provided offers the maximum clarity possible to ensure prospective students are able to make well-informed choices about their higher education future.

The Panel's report highlights the normal (or 'raw') attrition rate has risen faster than the adjusted rate since the period around 2006.¹² This may be indicative of a situation where a large number of additional students have commenced university education and rather than leaving university altogether (raw attrition), are moving courses within an institution or moving institutions (adjusted). The use of the CHESN allows the tracking of this information. We are not able, however to accurately determine how many – or at what rate – students from any institution leave higher education to take up a VET qualification (see previous Recommendation) for example.

Recommendation:

- That enhanced access to clear and accurate admissions-specific information for prospective students seeking to engage in higher education would offer significant benefits to retention and success.

A student completions predictor

The Go8 strongly rejects the use or development of any kind of student success predictor, attrition risk calculator or similar tool.

While the Go8 supports the provision of improved admissions-specific information for prospective students, any tool that is designed to 'predict' or calculate the likelihood of success or completion, is unlikely to have a positive effect. The student characteristics that are associated with attrition, the Panel points out, demonstrates differences between sub-groups of students are very small.¹³ The Go8 would not support any such profiling tool that is likely to reduce outcomes through negative reinforcement.

Earlier in 2017, the Grattan Institute presented a completion risk calculator focused on the Australian Tertiary Admission Rank (ATAR) and student characteristics.¹⁴ The Grattan Institute risk calculator attempts to identify the risk of a student not completing based on how an individual performs against a number of generic 'risk'

¹² Op cit, 2017, p17

¹³ Idid, p39

¹⁴ Cherastidtham, I; *Attrition and ATAR: is there a link*; Grattan Institute; March 2017;

<http://hes.edu.au/assets/Operationalising-Higher-Education-Quality/Ittima-UA-attrition-and-atar-FINAL.pdf>

factors such as ATAR, SES background and language spoken at home. The effect of a tool such as this would be to discourage students from enrolling at university. This would most likely further disadvantage students from equity groups and conflict with efforts to raise aspiration and expand participation. A risk calculator or predictor of this type does not – and cannot – take account of individual factors and characteristics either; those that are the most significant determinants of future performance at university.¹⁵

It would be an unexpected and arguably unnecessary development if Australia were to implement a tool that effectively told prospective students they should not bother to apply for university because they have a lower likelihood of completion. To do so would also directly contradict and undermine much of the work done to date to lift aspiration and raise participation levels at university in Australia and would undermine the autonomy of universities who are the institutions most expert and best placed to make these judgements on an individual, case-by-case basis.

Recommendation:

- That any form of success or completion risk calculator or ‘predictor’ is to be strongly discouraged.

Use of regulatory and quality assurance tools

The Go8 notes the emphasis placed by the Panel on TEQSA’s existing powers in respect of the oversight of student retention, success and completion. In particular, the clauses of the Threshold Standards highlighted by the Panel should be noted if it is suggested that TEQSA does not have adequate regulatory or quality assurance powers in this area. Indeed, the *Tertiary Education Quality and Standards Agency Act 2011* (TEQSA Act), TEQSA’s governing legislation, and the Threshold Standards enable TEQSA to work closely with registered higher education providers to develop and implement strategies to improve performance.

As the Go8 has stated previously, we would be concerned about any proposals to broaden TEQSA’s role or to enhance existing functions, both of which we feel are unnecessary.¹⁶ Such proposals would represent a level of regulatory creep that is not supported by evidence.

Based on the high-level evidence presented in the Panel’s paper and in the TEQSA paper, there may be a basis for TEQSA to take a more investigative approach with respect to some providers and some student cohorts. Such an approach — *within the existing regulatory and quality assurance framework* — would be appropriate.

¹⁵ While there are predicted graduation calculators available, such as the Higher Education Research Institute Expected Calculator, these tend to focus on institutional graduation rates not student predictors, and in the case of the HERI calculator, offer precise graduation rates for different cohorts. This type of calculator can be helpful as it may assist with an institutions’ load planning and so on.

¹⁶ Group of Eight Submission: Admissions Transparency Implementation Working Group; 12 May 2017



Recommendation:

- That TEQSA, using existing tools available, consider a more investigatory approach in dealing with student retention, success, and completions.

Issues associated with student success, retention and completion are important for institutions to consider within the context of their operations and broader mission. The Go8 is of the view that, as highlighted above, there is insufficient evidence presented in the Panel's paper to make significant public policy decisions, particularly of the kind foreshadowed in the HESLA Bill.

I would like to thank you and the Panel for the opportunity to provide this response. The Go8 would welcome the opportunity to meet with the Panel and discuss these issues.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "V. Thomson", with a long horizontal flourish extending to the right.

VICKI THOMSON
CHIEF EXECUTIVE