

Impact Assessment of University-Fee Deregulation on Prospective Regional University Students in Western Australia

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Abstract

Since 2014, deregulation of fees in universities has become a topical issue in Australian public discourse. As an untested policy in the country, the arguments for and against it suggest a lack of sound empirical basis for gauging how university-fee deregulation will affect different student cohorts. This paper presents a qualitative study of three regional localities in Western Australia (WA) and reveals that knowledge of the proposed deregulation of fees in Australian universities is low among students, teachers and parents who participated in the research. The study also found that research participants were concerned that fee deregulation in Australian universities might lead to fee increases. If this were to happen without commensurate social-support policies, most of the student respondents indicated they: (1) feared being left with unusually high student debt, (2) might reconsider accessing higher education altogether, and/or (3) would access higher education as mature-age students due to having to take gap years to work and save.

Background

A 2014 proposal by the Australian federal government to deregulate fees in the country's universities has generated passionate debates in the country. The social-justice and capital-market ideologies have largely dominated the discussions on higher education funding in Australia. The social-justice argument supports the expansion of higher education by promoting and widening participation and equal opportunity, and increasing the number of educational institutions. The principle places the responsibility of funding higher education on governments and has played a key role in the rejection of university-fee deregulation in Germany and Scandinavian countries, for example (Riemer, 2014, Organisation for Economic Co-operation and Development [OECD], 2014; Kehm, 2014a, 2014b; Johnstone, 2009; Noonan, 2015).

As it is in the United Kingdom, the United States of America and New Zealand, in Australia, the drive to deregulate fees in higher education is rooted in the capital-market principle (neoliberalism). This principle hinges on the rule of the market, privatisation, elimination of the concept of public good and cutting government expenditure on social services (Martinez and Garcia, n.d.; Neville, 1997; Teixeira, 2006; Chang 2010; OECD, 2014). If it had come into effect in 2016, as originally planned, Australia's university-fee deregulation policy would have ensured that:

Registered higher education institutions (including public and private universities, and non-university higher education institutions) would ... set their own tuition fees for Commonwealth-supported students, and the Australian Government would reduce its contribution towards tuition fees by an average of 20% for new students. (Australian Government, 2014a, p. 1).

The government's 2014/15 Budget Statement on Higher Education captured three broad factors that informed its decision to deregulate university fees. First, it viewed the current funding as being limited to students in only one group of higher education providers,

with Technical and Further Education (TAFE) colleges and private providers not receiving funding. Second, the government considered Australian universities as being excessively regulated and having limited prospects of competing with international universities. Third, the government projected the policy will save Australia almost AUD \$600 million over five years. From this saving, the government hopes to establish an AUD \$20 billion Medical Research Future Fund (Australian Government, 2014c). Accordingly, the government prepared the Higher Education and Research Reform Amendment (HERRA) Bill. Aside from the government, the Group of Eight coalition, comprising the top eight Australian universities, supported the proposed deregulation policy (Australian Government, 2014b; Quiggin, 2014).

However, politicians, students, academics and some sections of the general public strongly opposed the federal government's proposed university-fee deregulation policy. Critics of the policy (in particular, the Australian Labor Party, Australian Federation of Graduate Women, Regional Universities Network and Tasmania University Union) argued the policy would deter five interrelated groups of people from accessing higher education: (1) students from rural areas, (2) female students, (3) mature-age students, (4) students from low socio-economic backgrounds, and (5) medical students (Australian Federation of Graduate Women Inc., 2014; Regional Universities Network, 2014; Tasmania University Union, 2014). As a result, the HERRA Bill was voted down twice in the Federal Parliament in 2014 and 2015, forcing the government to defer the implementation of the policy to 2018. There are indications the government will amend and reintroduce the Bill in 2017, and it is currently lobbying relevant stakeholders to garner support to pass it.

The empirical basis for specifically gauging how the policy would benefit or negatively affect different cohorts of Australians students (e.g. rural students) has been lacking. Consequently, we undertook research to fill this gap by highlighting the impact of a deregulated university-fee system on prospective university students from regional Western Australia (WA). We chose to focus on regional students because the literature suggests they have less opportunity to study courses of their choice in universities and have higher living and transportation costs when they relocate to bigger cities to attend university—a situation underlying their high attrition rate nationally (Brett et al., 2015; Lim et al., 2014; Scevak, 2015).

Methods

Our primary research question was, 'How would a deregulated university-fee system affect prospective WA regional university students in accessing higher education?' We adopted a qualitative research approach for this study, which was undertaken in 2015 before the policy was reintroduced in Federal Parliament. It was undertaken in three regional localities and involved 50 respondents. The data-collection process involved semi-structured interviews and focus-group discussions with Year 12 students, parents and teachers. The interviews with students, teachers and parents—in different sessions—focused on the respondents' knowledge of the government-proposed university-fee deregulation policy as well as how it would affect them. We sampled participants purposively. We recorded the interviews and focus-group discussions, and manually organised, transcribed and thematically coded them. Guided by the primary research question, we analysed the major themes that emerged from the study for their convergence and divergence, after which they were written into narratives (Liamputtong, 2009). Broadly, the themes we identified related to 1)

knowledge of the proposed university-fee deregulation policy; and 2) perceived effects of the proposed policy.¹

Findings

Knowledge of the Proposed University–Fee Deregulation Policy

Most study respondents (students, teachers and parents) had little knowledge of the proposed higher education–fee deregulation policy. The majority of the students interviewed (92%) either barely knew anything about the policy, had never heard about it or were not entirely sure about what the policy entailed. Of these students, 25% said they had only learned about the policy through their teachers, who had invited them to participate in this research. This majority group of students were concerned about how the policy would affect tuition fees in Australia’s public universities.

The remaining student respondents (8%) said they had heard about the proposed university–fee deregulation policy (UFDP) through family members and in the media. Most of the students in this category had family members attending and/or who had completed, university education. These research participants demonstrated some understanding of the policy when they explained that it meant the government would remove caps on universities’ funding and allow universities the autonomy to decide their tuition fees.

Knowledge of the proposed UFDP in regional WA was mixed among both teachers and parents. The majority of teachers (60%) said they had heard about the UFDP in the media but were unsure of the policy’s implications. The common explanation teachers provided during focus-group discussion was the notion that the federal government would remove its funding of the universities and allow them to decide on the fees to be charged. Forty per cent of the teachers in all three research localities indicated their unfamiliarity with the UFDP, learning about it for the first time through our research. Only 30% of parents mentioned hearing about the proposed policy in the media.

Generally, the responses indicate that students, teachers and parents of students were not well informed about the proposed UFDP. The most concerning issue relates to the fact that teachers, some of who provide post-high-school pathway guidance, knew little about the UFDP.

Perceived Impact of the University-Fee Deregulation Policy

While most of the research participants had limited knowledge of the UFDP initially, when they learned it meant the federal government would give autonomy to universities to set their own fees, the general concern was that it would lead to fee increases, which is consistent with the literature (Neil, 2009; Dearden et al., 2011; Wakeling & Jefferies, 2013). Most of the research participants were not against the UFDP in principle but, rather, its tendency to lead to fee hikes; in fact, some seemed encouraged to learn that it would make Australian universities internationally competitive and permit greater access to higher education for students from low socio-economic backgrounds.

As mentioned, the majority of student respondents (88%) thought the policy may lead to fee increases, as indicated by remarks such as:

‘Not sure if university education can be accessed by many people’

‘I have not thought about what to do, and may reconsider university education’

‘I would consider an alternative pathway or may consider going through the defence force’

¹ A full report on the study will be available in late 2016.

‘Earning a degree with a debt concerns me, and [I] may consider taking a gap year to work hard and save some money for uni[versity]’
‘I may go to the uni[versity] as a mature student.’

Eighty-eight per cent of the student respondents indicated that if the UFDP led to fee increases, they would take gap year(s) to work and save. Almost all the students in this category were concerned that taking gap year(s) might end their university education dreams. Seventy per cent of the students were confident of receiving partial or full funding from parents or family members to fund their university education and would also consider applying for a government loan.² Nearly 40% of those students said they would look for scholarships to support them but were unsure about how to access these.

The remaining 12% of students represented two categories of participants. The first category, comprising nearly 11% of the student respondents, indicated they would be able to attend university regardless of the outcome of the UFDP. These students mentioned their parents had set up educational funds for them if they did well in their Australian Tertiary Admission Rank (ATAR).³ The second category comprised Aboriginal students. Like the students in the first category, the Aboriginal students were not concerned about the UFDP, arguing that it was the will to pursue university education rather than money—given the significant government support available to them—that was the issue.

Almost all of the parents who participated in this study argued that the existing cost of university education for students from regional WA was already high, and that if the UFDP led to fee increases, it may demotivate many of their secondary-school children from accessing higher education. Aside from benefiting from the flexible university-entry pathway programmes of WA universities, parent participants indicated their children received the same Youth Allowance as metropolitan WA students but no additional financial assistance for being regional or rural students, a policy that needed to change. Some of the parents whose children were already attending or had completed university explained that their children’s decision to leave home to start a new life was tough, as they had to deal with accommodation; transport; and, most important, lack of family support. One such parent remarked that ‘things are already hard for our kids; we beg the government not to make it any worse’. Others shared concerns that, if the policy led to fee increases, ‘our children may be forced take gap years to work and save money for uni[versity] ... but might not come back to their uni[versity] dreams’, while another said, ‘HECS help may be the only option, because I have not saved enough in my superannuation to finance my children’s uni[versity] education’. Some of the parents mentioned they had given up their jobs to relocate to Perth for a period to be with their children to provide emotional support.

Teachers also expressed all the concerns mentioned. Their additional concerns related to the fact that accessing higher education was already unpopular in rural WA, as evidenced by the consistently low numbers of students participating in ATAR pathways. On average, less than 20% of the Year 12 students were participating in the ATAR programmes in all three localities researched. The teachers were concerned that the UFDP would impact further the already dwindled number of students participating in ATAR programmes unless

²There is the HECS-HELP- a loan scheme provided to eligible Commonwealth supported students to pay their student contribution amounts through a loan or upfront discounts. Students may also apply for the FEE-HELP, loan to help eligible fee paying students to pay their tuition fees. See <http://studyassist.gov.au/sites/studyassist/helppayingmyfees>.

³In Australia, secondary-school students have a choice to participate in an ATAR programme to enter university or go through Vocational Education and Training (VET) in TAFE institutions.

scholarships specifically targeting rural students were established and made publicly available.

Another general feeling gathered from teachers' responses related to the need for the federal government to encourage universities to establish more regional campuses to curtail the need for regional and rural students to relocate or attend universities in metropolitan WA. Among other reasons for this, the teachers argued that doing so would encourage students to stay in regional WA to work when they finished, improving the current lack of human resources in these localities.

Conclusion

University deregulation is clearly on the agenda in Australia, and it is likely to be only a matter of time before it is implemented. The current government, which has been pushing university deregulation, has an ideology based on economic rationalism and has not considered the wider impacts of deregulation, especially on regional and rural Australia. Therefore, we conducted research in three regional locations in WA to measure the prospective impact of deregulation. The data clearly show that rural isolation and the lack of opportunity that currently exists would be increased significantly if deregulation occurs. While the majority of students and parents were unaware of the details of the policy, once prompted, their immediate responses were concrete and overwhelming—they would have to defer going to university until they had saved more money. Further, consistent with the literature, the vast majority stated that university-fee deregulation would exacerbate rural and regional isolation and that the government had not considered their plight. Teachers echoed these sentiments and stated that the already low level of interest in university study would become much lower if fees increased as a result of the policy. The key policy implication here is the need for public education for residents in regional and remote WA on the proposed university-fee deregulation policy, as they are likely to be one of the groups to be significantly affected by it.

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