

# SUBMISSION TO THE REVIEW OF SENIOR SECONDARY PATHWAYS

6 December 2019

Universities Australia (UA) welcomes the opportunity to make a submission to the Review of Senior Secondary Pathways.

UA is the peak body for Australia's 39 comprehensive universities. We have a keen interest in how senior secondary schooling presents information to students about their options for future education, training and work. Of course, universities themselves have a direct and important role in preparing and disseminating some of this information. We are aware of universities' influence on senior secondary schooling and we have a strong sense of responsibility to inform students in a helpful and accurate way.

UA believes better information means better decisions. The more accurate and more comprehensive the information available to senior secondary students, parents and teachers the better for everyone – especially, of course, the students themselves. This includes access to good information about the range of options available after school, what each of these options involves, and where they can lead.

UA welcomes the review's focus on improving information for senior secondary students to help them find their path and realise their potential.

However, we have some reservations about views expressed in the review's discussion paper on information currently available, students' decision-making and the impact of the ATAR. UA looks forward to discussion with the review panel on what the issues are and how best to address them.

## **INFORMATION AND STUDENTS' DECISION-MAKING**

Accessible, accurate, comprehensive information on post-school pathways is vital to help senior secondary school students consider their options and plan their futures.

The review's discussion paper starts with two 'provocative propositions', one of which is:

*Too many young people are making poorly informed post-school choices (through no fault of their own) that do not align with their skills, interests and career aspirations; that involve unnecessary cost and time; and which may align poorly with Australia's future workforce needs.*

This statement contains several different claims.

The first is the notion that students may be choosing post-school options that 'do not align with their skills, interests and career aspirations'. It is likely there are some students – especially those with less cultural capital and awareness of education, training and employment options – whose immediate post-school decisions are constrained by this lack of awareness. These students are likely to be over-represented among students from low SES, regional and Indigenous backgrounds. In some cases, these students may be poorly served by stereotyped expectations about the kind of options and pathways for them.

Beyond this group of students, it is hard to believe that many are choosing options unrelated to their interests or abilities. It is not clear why (or even how) they would do this.

The second claim – about post-school options that ‘involve unnecessary cost and time’ – is more contentious still. Presumably, this refers to ‘unnecessary’ cost in money and time to the individual, but also to the public. It is not clear who decides what is ‘necessary’, or on what criteria. In an era of increasingly rapid workforce change, senior secondary students can expect to move through a variety of occupations and industries. Initial education, training and employment outcomes are stages on the way, rather than destinations. In such a world, upskilling, retraining and lifelong learning are simply a necessity. UA suggests caution about setting expectations, or limits, for post-school education pathways.

The third claim is that some students’ choices may ‘align poorly with Australia’s future workforce needs’ - and this is partly due to limited information. UA would support clearer and more accessible information on labour market demand and employment and salary outcomes for different qualifications and occupations. One thing is certain: more education and training is better than less. This will only become truer into the future. Projections by the Commonwealth Department of Employment show that 90 per cent of jobs growth over five years to May 2023 will be in jobs that require post-school qualifications.<sup>1</sup> Laying out clearer pathways through education and training to future in-demand jobs will greatly benefit students and employers alike.

### **Current provision of information for prospective university students**

Universities and Tertiary Admissions Centres (TACs) provide a wide range of information on courses and admissions pathways and criteria for prospective students from various backgrounds with differing education and work experience.

The university sector has worked closely with the regulator and the Commonwealth Government to improve information on university admissions through an Admissions Transparency project initiated by the Higher Education Standards Panel (HESP). The project operated through an Implementation Working Group (IWG) representing higher education providers, TACs, students and Government.

The IWG’s Admissions Transparency Implementation Plan (July 2017) sets out six objectives and timeframes to implement the HESP’s recommendations, agreed to by key stakeholders in the Australian higher education sector.

The implementation plan’s six objectives include:

1. Standardised presentation of admissions information
2. Adoption of common admissions terminology
3. Revised ATAR-related thresholds and definitions
4. Tertiary Admission Centres adopt more consistent approaches and reporting and streamline interstate application processes
5. TEQSA monitoring and guidance on admissions transparency
6. New national admissions information platform

TEQSA has a role in monitoring higher education providers’ implementation of the admissions transparency agenda as well as compliance with documentation requirements under the Higher Education Threshold Standards.

TEQSA found that in Phase 1, higher education providers largely implemented admissions transparency requirements in an effective way. This has included preparing assessments of providers’ implementation work.

TEQSA will report to the Minister in March 2020 on phase 2 of implementation.

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<sup>1</sup> Australian Government Data from the Department of Employment, Skills, Small and Family Business – published 16 October 2018.

## Value of university education to individuals, society and the economy

A university degree remains an excellent investment for individuals, as well as for the economy and society as a whole. Graduates are less likely to be unemployed. Recent ABS data shows that in May 2019, graduates unemployment rate was at 3.0 per cent compared to 7.5 per cent for those without post-school qualification.<sup>2</sup>

Graduates on average earn more: over a lifetime, the median male graduate is estimated to earn nearly \$800,000 more than a man with no post-school qualifications, while the average female graduate is estimated to earn nearly \$600,000 more than a woman with no post-school qualifications.<sup>3</sup> According to the 2016 Census, university graduates earn 70 per cent more than people with no post-school qualifications and contribute substantially more to national taxation receipts.<sup>4</sup>

Data published by the OECD in 2019 shows the net public benefit for Australia is US\$168,100 per male graduate and US\$117,700 per female graduate. Public benefits included higher tax revenue and lower social security transfer payments.<sup>5</sup> OECD estimated that Australian government can expect to receive a return of 12 per cent every year on the investment made on tertiary education.<sup>6</sup>

Labour market demand for graduate skills is forecast to continue and strengthen. Projections by the Commonwealth Department of Employment show that 90 per cent of jobs growth over five years to May 2023 will be in jobs that require post-school qualifications.<sup>7</sup> More than 45 per cent of jobs growth will be in jobs that require a university degree.

## ATAR

The Australian Tertiary Admission Rank (ATAR) attracts a lot of criticism. But it is important to distinguish between the effects of ATAR itself, and the effects of widespread misunderstanding of what ATAR is and how it works.

ATAR is a mechanism with a strictly limited function. As the name indicates, it is a ranking of students for the purposes of university admission into competitive courses. ATAR was not devised as an all-purpose measure of performance in Year 12. It is not calculated by the secondary education system. It is solely a means of ranking students for admission to higher education courses. Within these strict limits, ATAR performs effectively.

There are widespread perceptions that the ATAR can be 'gamed' by choosing particular courses (especially maths courses below a student's ability level). These perceptions appear to influence students' behaviour. But there is little evidence that they influence students' ATARs. The problem is not how the ATAR works, but how people think it works. An education campaign to correct this problem could be helpful.

An essential part of the calculation of ATAR is scaling: marks are scaled so students are neither advantaged nor disadvantaged by their choice of a particular combination of courses. Students' marks in a particular course are scaled on the basis of their average performance in all the other courses they study. So raw marks in a course studied by higher achieving students tend to scale up, while raw marks in a course studied by less high achieving students tend to scale down. Common perceptions that the ATAR can be 'gamed' by taking particular courses, or inflated by taking 'easy' courses, are not backed by evidence.

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<sup>2</sup> ABS 2019, *Education and Work, Australia, May 2019*, Cat. No. 6227.

<sup>3</sup> Grattan Institute 2018, *Mapping Australia Higher Education 2018*, p.93.

<sup>4</sup> ABS 2016 Census, *Employment and income by qualification level – people aged 20-64 years*

<sup>5</sup> OECD 2019, *2019 Education at a Glance*, Indicator A5.3.

<sup>6</sup> Ibid, Indicator A5.2.

<sup>7</sup> Department of Jobs and Small Business 2018, *Employment Outlook to May 2023*.

Some criticise ATAR for not recognising extra-curricular activities or ‘soft skills’. Information on broader capacities, achievements and experience could be incorporated into the ATAR – if they are to be used for the purpose of university admissions. It is important to avoid exacerbating widespread misunderstanding of ATAR’s function and scope. Due recognition of abilities, skills and achievements beyond the academic realm for broader or more varied purposes should not be conflated with university admissions.

School leavers’ broader attributes and experiences can and should be recognised through school reports and CVs. A stronger emphasis on uniform reporting for these skills in Year 12 school reports that clearly demonstrate students’ experiences and skillsets to employers may be a useful initiative.

Any initiatives to assess Year 12 graduates on broader criteria – for example, on extra-curricular activities – must be careful to avoid further disadvantaging students from equity groups, who are less likely to have access to some of the opportunities and activities likely to be considered.

It is very difficult to see how an admissions system would work without a mechanism to rank students on the basis of academic achievement. Some kind of rationing mechanism is needed. In the absence of any compelling alternative for school leaver applicants, ATAR is that mechanism.

## EQUAL ACCESS AND FLEXIBLE PATHWAYS

University admissions have evolved and diversified in response to changing demand, policy shifts and increasing rates of higher education participation.

Universities make use of a rigorous and robust mix of admissions practices that cater for both mature-aged applicants as well as school leavers. The ATAR is one means for assessing potential, but there are many others, including:

- VET study (complete or incomplete)
- Higher education (complete or incomplete)
- Professional experience
- Auditions, portfolios and interviews
- Admissions tests (for example, the Special Tertiary Admissions Test and the General Medical Aptitude Test)
- Entry pathways specifically designed to support:
  - educationally disadvantaged students;
  - students from economically disadvantaged backgrounds;
  - Indigenous students;
  - regional students;
  - students with disabilities;
  - elite sportspeople;
  - elite performers in the arts.

Students entering university directly from high school make up a minority of university enrolments (in 2018, only 44.5 per cent did so, 33.5 per cent with an ATAR) and this has been the situation for many years. Today's student body is more diverse in prior education, social background, age, aspirations and stages in the career cycle.

University and course admissions processes, procedures and policies need to fairly take account of this diversity. While the ATAR is a useful indicator of the academic preparedness of school leavers, it is much less relevant to other applicants (that now represent the majority of university entrants).

For school leavers, the ATAR can tell you something about an applicant's ability to succeed at university – but in most cases it will not tell you everything. Entry requirements must ensure that no student with the ability to successfully complete a university degree is denied the opportunity to do so.

It is important that mechanisms – including bonus points, special consideration and pathway programs – are available to deal with systemic differences in access to opportunity, and individual circumstance. Contemporary admissions focus on potential to succeed as much as on prior achievement.

Universities are committed to broadening the transformative opportunity of higher education to all Australians. Between 2008 and 2017, total domestic undergraduate enrolments increased by 43 per cent, but enrolments from equity groups grew faster:

- low SES undergraduate student enrolments increased 66 per cent;
- Indigenous undergraduate student enrolments have more than doubled;
- enrolments of undergraduate students with a disability increased 123 per cent; and
- enrolments of students from regional and remote areas increased by 50 per cent.

Bachelor degree attainment has now reached the Government's 40 per cent target for 25 to 34 year olds at the national level. However, there continues to be wide variation in attainment levels across geographic areas. People in major cities are twice as likely to hold a university degree than those in regional and remote areas. In 2018, education attainment rates at major cities were around 45 per cent compared to less than 23 per cent outside major cities. Government funding for Commonwealth Support Places (CSPs), which is declining in real terms year-on-year, will make it difficult for Australia to remain at the 40 per cent attainment target and to ensure equity groups and regional Australians are not left behind.

The current system allows students to take a flexible path towards higher education. For example, enabling programs prepare potential students ready for higher education by helping them to build the skills they need such as literacy, numeracy and critical thinking.

Pathways also exist through articulation arrangements for students studying vocational qualifications into higher education depending on the existence of formal agreements amongst providers. These can be focused on certain disciplines where there is a linear progression for professional occupations, for example in nursing. The focused nature of these arrangements safeguards the quality and reputation of Australian higher education and ensures students are not disadvantaged later down the track.

Credit recognition more broadly also enables students to take a flexible path towards their desired career. UA supports in principle the direction of the Australian Qualifications (AQF) Review, which seeks to make credit recognition more effective, while ensuring that students are prepared well to meet the demands of the courses they transition into.

## **VET AND HE WORKING TOGETHER**

UA recognises the importance of a robust, reputable VET system for Australia's future. VET offers training and practical skills that equip Australian's for immediate entry into the workforce. Higher education offers students the academic, analytical and technical skills required for long-term professional and academic careers. Both are critical to Australia's economic and social wellbeing. The two sectors have distinct, complementary roles. Each sector contributes to and strengthens the other.

VET has been subject to significant pressures following many years of funding cuts and unsuccessful policy experiments. UA acknowledges the impact this has had.

Significant funding cuts and a range of poorly implemented efforts to increase 'contestability' between public and private providers have damaged the funding of public providers and their capacity to deliver training, especially in the regions and other less advantaged areas. It has also damaged their capacity to fulfil broader community engagement functions that are not well supported.

UA supports the direction of the recent Joyce Review, and the Council of Australian Governments (COAG)'s decision to make skills reform a priority. Addressing the core issues of funding, currency of training packages and quality across the sector will only increase the reputation and attractiveness of the VET sector.

Communicating the possibilities of VET to the broader Australian society will continue to be an important exercise to change any cultural biases against it. The message should be that rewarding careers are available through VET and higher education pathways. Part of this involves providing current and contextualised data to students on career options.

## NEXT STEPS

Ensuring young Australians make informed choices about pathways into work, higher education or training is essential to meet future industry demands and remain an efficient global economy. Government initiatives which enhance the availability of clear and accurate information to students, parents and teachers should be supported.

UA looks forward to the opportunity to further discussions with the Panel on this important initiative.

### **UA recommends:**

- Governments, schools and vocational and higher education providers work together to ensure the most accurate and comprehensive information for students, parents and teachers on the range of post school options, in-demand skills and career pathways.
- Governments and the school and higher education sectors work to communicate the purpose of ATAR clearly to stakeholders. Within the limits of its proper purpose, ATAR is a relatively efficient, transparent and objective admissions tool into competitive university courses.
- Governments and school systems – in consultation with vocational and higher education providers, employers and students – explore what tools (such as school reports and CVs) can be developed for all students to ensure skills and experiences obtained through senior secondary school are clearly visible for future employers.
- Governments address the core issues affecting the reputation and attractiveness of the VET sector.