

Successful HEPP faces death by a thousand cuts

This article by IRU Executive Director, Conor King was published in The Australian newspaper 11 May 2016

The federal government's flagship equity program has never been allowed to become what it was meant to be.

When the latest round of cuts hit, the Higher Education Participation Program will have been turned back into the small, well-meaning but ineffective equity program it replaced.

Since its inception, HEPP has been the go-to program when governments of both sides wanted savings. The \$152 million hit in last week's budget will remove 40 per cent of its funding by 2019-20.

The outcomes from HEPP have been positive, if not as high as predicted.

While the growth in low socioeconomic status students has been faster than for others — they will reach 18.1 per cent of all students in the coming year — it is still way short of 25 per cent but shows progress towards the initial target of 20 per cent.

So why do we need HEPP and how should it operate? To be effective, it needs to be a program with scale, so it avoids being well-meaning but piecemeal.

The 2008 Bradley review argued that its predecessor was too small, over-regulated and caught up in worthy but small projects. It was not driving significant change. Denise Bradley combined the new demand-driven system with a key funding element, equal to 4 per cent of base funding, to create incentives for universities to improve participation and completions of students from all under-represented groups.

The argument was that if universities received serious money for each low-SES student, they would have the incentive to increase enrolments and the flexibility to allocate resources as necessary to ensure retention through to graduation. Action would be university-wide, not limited to the efforts of equity units. It was a comprehensive approach.

The key issue now is whether universities responded in the anticipated way. One sign of success would be that students from all backgrounds enrolled in similar proportions and that universities ensured support was available for students who needed it.

Chances are we will never know. The original, big-picture HEPP has been tinkered with from the word go.

The original program had two components: 75 per cent of funding, based on low-SES student enrolments, was called participation, while the remaining 25 per cent was for outreach to encourage non-traditional students to consider university as an option (partnerships).

However, creating the first stream as a separate grant proved to be a mistake. It allowed it to be treated as a supercharged equity program, where the emphasis was on distinct projects rather than an integrated approach to ensuring all students got the services they needed.

In 2012, Jane Lomax-Smith's base funding review argued that participation be set to a standard rate per student to avoid the rate falling as the number of students grew. The 2012 budget set the rate at \$1400 per full-time student, a decrease from the existing rate of \$1800. Some money was added to the partnerships component but a saving of \$13.4m was taken for 2013-14.

In 2013 we got the so-called Emerson efficiency dividend, which applied to grants such as HEPPP from 2014 without the need for matching legislation, saving a further \$7.8m by 2015-16. The notorious 2014 budget then turned HEPPP (including partnerships) into HEPP, slicing another \$10m off a year. A further \$5m was removed last year to pay for indigenous artefacts.

The government has promised a review before taking the \$152m, starting this year with \$16m and building to \$88m in 2019.

So what should the review recommend?

A good starting point would be to implement the original Bradley proposal without the shackles.

The participation payment per low SES student should be a loading added to the commonwealth grant scheme. That would emphasise the payment is over and above discipline-driven allocations to supplement a factor they do not cover.

As a loading it would expand as student numbers grew. There would be no need for complicated reporting.

The review should look at options to increase the performance incentive, such as requiring a minimum number or proportion of low-SES students for a university to be eligible for funding and moderating the amount of funding for retention. This would be similar to the changes announced for indigenous support funding.

Without a constructive review, the next round of cuts risks undermining a program critical for educating all students well. It is essential that the long-term program, under either potential governing party, sustains the incentive to enrol all suitable students regardless of background.

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