Regional Universities Network
REGIONAL STRENGTH. NATIONAL SUCCESS.

HIGHER EDUCATION SUPPORT (OTHER GRANTS) AMENDMENT (COMMONWEALTH PRAC PAYMENT) GUIDELINES 2025

APRIL 2025

CHARLES STURT UNIVERSITY | CQUNIVERSITY | FEDERATION UNIVERSITY AUSTRALIA | SOUTHERN CROSS UNIVERSITY
UNIVERSITY OF NEW ENGLAND | UNIVERSITY OF SOUTHERN QUEENSLAND | UNIVERSITY OF THE SUNSHINE COAST

The Regional Universities Network (RUN) welcomes the opportunity to provide feedback to the Department of Education on the draft amendments to the Higher Education Support (Other Grants) Amendment (Commonwealth Prac Payment) Guidelines 2025 and Explanatory Statement.

RUN is a national collaborative group of seven regional Australian universities: Charles Sturt University, CQUniversity Australia, Federation University Australia, Southern Cross University, University of New England, University of Southern Queensland, and the University of the Sunshine Coast.

This submission reflects the positions of RUN institutions, and in doing so, also aims to represent the views of the communities which RUN universities serve; the one-third of Australians who live outside of metropolitan centres in regional, rural and remote locations.

For further information please contact RUN on 0408 482 736 or info@run.edu.au.

OVERVIEW

RUN remains highly supportive of the concept of a Commonwealth Practicum Payment. It is RUN's firm belief that the Commonwealth Practicum Payment is an effective means to deliver direct assistance to students undertaking mandatory industry placements. RUN has previously advocated strongly for a system of paid practicum assistance to help overcome many of the acute financial pressures encountered by students undertaking mandatory course practicums, especially the unique pressures faced by students from underrepresented backgrounds and/or regional locations.

RUN universities host the highest concentrations of students from underrepresented backgrounds within the sector. RUN enrols approximately ten percent of all domestic undergraduate students studying in Australia today, yet:

- One in every four First Nations students is attending a RUN university.
- One in every four students from a low-SES background is attending a RUN university.
- One in every three students from a regional, rural or remote background is attending a RUN university.

RUN hosts considerably higher rates of students from underrepresented backgrounds compared to sector averages, and RUN students are also more likely to be enrolled in fields of study that require mandatory practical placements. For instance, one in every five Australians studying to become a teacher in 2023 was enrolled at a RUN university, and almost half of all domestic RUN students in 2023 were enrolled in either an education or a health discipline.

Regional university student cohorts are more likely to be older, non-school leaver students and therefore are more likely to have pre-existing employment and care-giver responsibilities that compete with the affordability and viability of mandatory unpaid placements. Furthermore, students at regional universities often face geographical disadvantages, such as regional placement locations being at a greater distance – sometimes hundreds of kilometres – from their homes.

Since the announcement of this program, some RUN universities have seen (pre-census) indications of increased enrolments in paid practicum-linked courses such as nursing and education, which could prove to be important validations of the proposed new system, and RUN's ongoing support of the principal of paid practicum provisions.

RUN universities are therefore major stakeholders in the implementation of a Commonwealth Practicum Payment system, given how acutely a proposed system would impact upon the distinct student cohorts of regional providers.

SYSTEM ADMINISTRATOR

RUN remains fundamentally opposed to the administration of proposed Commonwealth Prac Payments falling to individual universities. Like most other aspects of Australia's social welfare machinery, the Commonwealth Prac Payments is one that should occur between individual and Government. The highly specialised eligibility, verification and payment functions required sit well outside the existing expertise, experience and resourcing of universities. The task of administering a national means-tested social benefit program should instead reside with the more obvious provider – Services Australia.

RUN holds concerns that, should universities be the administering body for Commonwealth Prac Payments, then inconsistencies may arise at a national level between the individual institutions within the sector (and potentially even between the faculties of the same provider), in terms of the outcomes of administrating student eligibility and verification; the timeframes for processing payments; dispute resolution processes; auditing processes; and reconciling over/under payments. The acute resource asymmetries that exist between Australia's tertiary providers may well lead to differences in the timely and consistent processing of Commonwealth Prac Payments, which has the potential to invite unintended and inequitable outcomes for Australian students. It is also important to consider whether Australia's universities are best placed to collect and store confidential student information (relevant to eligibility) securely and consistently, and whether students would be comfortable handing sensitive and private information over to their tertiary provider.

The universities that host the highest proportions of students studying courses with mandatory practicum requirements, combined with student cohorts that would be most likely to meet eligibility thresholds (due to low-SES density, or students already in the workforce) will be smaller, regional universities. It is these universities who are least likely to be able to absorb the operational pivot toward the resource-intensive task of administering an entirely new and untested stream of Australia's social welfare program. These universities simply do not currently hold the stocks of specialised expertise or procedural experience to replicate branch services on behalf of Services Australia.

RUN RECOMMENDS

The Commonwealth Prac Payments be implemented by Services Australia.

RUN nonetheless understands that at present the Government is not considering any change in position that would transition the administration of Commonwealth Prac Payments towards more practical providers, such as Services Australia. As such, RUN would make the following formal recommendation:

RUN RECOMMENDS

RUN recommends that a clause be inserted into the amendments to the Guidelines that enables a full review of the system's efficacy and impact upon universities/students one year after full implementation, to determine the success or otherwise of a nationally consistent university administration of the Commonwealth Prac Payments.

OPERATIONAL CONCERNS

The RUN Secretariat and RUN universities have provided a range of feedback to the Department of Education on the proposed structure of the Commonwealth Prac Payments and the current gaps in understanding of key issues that have the potential to compromise the efficacy of the system's administration. The following section attempts to consolidate RUN member feedback concisely.

Finalising Provider Guidelines
RUN notes the impending urgency of finalising formal Provider Guidelines and ensuring greater clarity to universities ahead of the commencement of Commonwealth Prac Payments on 1 July 2025.

The timing is such that further delay in providing universities with these guidelines will result universities having difficultly in meeting the operational requirements of the Commonwealth Prac Payments. As noted previously, the universities that host the highest proportions of students studying courses with mandatory practicum requirements, combined with student cohorts that would be most likely to meet eligibility thresholds (due to low-SES density, or students already in the workforce) will be smaller, regional universities, universities which are facing significant balance sheet pressures.

The requirements for implementation require significant lead times and therefore providers need to be provided the Provider Guidelines with the utmost urgency.

RUN RECOMMENDS
The Commonwealth Prac Payment Provider Guidelines be finalised and provided to universities with the utmost urgency.

Evidence requirements and auditing concerns
The most pressing concern for universities is the fundamental, yet unanswered, question of whether universities are expected to accept the evidence of eligibility provided by students in good faith, or if (and how) universities are expected to actively interrogate and assess the legitimacy of supporting eligibility documentation. This question is fundamental to integrity and implementation of the program both in the short- and long-term.

If universities are expected to accept a student's supporting evidence of payment eligibility in good faith, then this needs to be made clear in legislation and in the Provider Guidelines. This confirmation must also make clear that universities cannot therefore be held liable or responsible for instances of a student's fraudulent or dubious acquisition of Commonwealth Prac Payments identified during subsequent auditing processes.

If universities are not expected to accept a student's supporting evidence in good faith however, then this ought to be established clearly in legislation and in the Provider Guidelines. Clarification is then required as to the explicit role and responsibilities of universities in actively interrogating the validity of documentation/evidence supplied by a student in demonstrating their eligibility for payments, and the requirement upon universities when instances of overpayment or fraudulence are later identified. Clarification would also be required to explicitly outline the role (if any) of other

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Government agencies (such as Centrelink or Services Australia) in verifying eligibility criteria such as income data. If other Government agencies are not involved in this process, then the verification mechanisms expected of universities must be made explicitly clear.

RUN RECOMMENDS

That the expectation upon, and responsibilities of, universities in the acceptance and verification of eligibility evidence supplied by students be made explicitly clear in legislation and provider guidelines.

84 (g) (ii) – Exceptional Circumstances Policy

As a priority, the Department of Education must identify and articulate a set of clear and unambiguous criteria of what constitutes an *'exceptional circumstances student*'.

At present, an *'exceptional circumstances student*' remains unclear to universities, and the determination of whether a student meets an '*exceptional circumstances*' threshold appears to be largely at the subjective discretion of individual providers. A continuation of this ambiguity amongst Australian universities will inevitably lead to 39 different definitions of an '*exceptional circumstance student*', resulting in inconsistencies and inequities in allocation at a national level. A system that allows two students with near-identical characteristics studying at two different institutions while receiving different outcomes to their '*exceptional circumstances*' determination will invite unintended consequences for universities, students and the Government.

RUN RECOMMENDS

That the Department of Education determine explicit criteria for a student who meets the definition of 'exceptional circumstances' to avoid institutional misinterpretation and inconsistencies in application.

86 (4) (e) (ii) – Treatment of Scholarships

RUN believes that any student whose background and/or academic achievement attracted the allocation of a scholarship should not then have their scholarship disqualify them from receiving a full Commonwealth Prac Payment allocation.

Scholarships are provided for a distinct social purpose. In the case of RUN universities, scholarships are routinely afforded to students from underrepresented backgrounds who show exceptional academic resilience or potential when up against their own personal circumstances. Scholarships are a powerful tool that enables RUN universities to support the academic achievements of many students who may otherwise face financial challenges incompatible with full academic potential or successful completion. Scholarships are also an important way that universities engage with their local communities and industries, who are often the benefactors of university scholarships. These important partnerships have the potential to be weakened if students are disincentivised to apply for scholarships because they effect Commonwealth Prac Payment eligibility. Similarly, there is a concern that students who would otherwise rely upon a scholarship would be disincentivised away from studying courses with mandatory placement requirements. Such outcomes would constitute negative and unintended social outcomes of Commonwealth Prac Payments.

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RUN RECOMMENDS

That scholarships be excluded from the income test in determining eligibility of Commonwealth Practicum Payments.

83 (4) – Administrative component

While the five per cent administrative component is recognition that there will be costs in administering the Commonwealth Prac Payments, early estimates of the administrative burden this program places on universities indicate that the costs will greatly exceed the amount received. The creation of a payment and processing system will far exceed the administrative component that is provided to universities, not to mention the ongoing labour cost to administer the Commonwealth Prac Payments..

RUN RECOMMENDS

That a review be undertaken regarding the five per cent administrative component and the actual cost to universities in administering the Commonwealth Prac Payments.

Repeat placements and partial placements withdrawals

Further clarity is required on whether students repeating a placement due to failure or deferral remain eligible for continued or additional Commonwealth Prac Payments, or what payment recovery actions are expected by universities.

More specific guidance is required as to better understand how partial attendance (e.g., two days of a four-week placement) impacts payment and or repayment obligations.

Cross-discipline entitlement resets

While guidelines allow entitlement resets when students switch disciplines (e.g., from teaching to social work), further details are needed on how previous Commonwealth Prac Payments interact with resets, whether there are limits on the number of resets allowed, and what are the associated provider reconciliation and reporting requirements.

Promotion and awareness

While providers are expected to promote the Commonwealth Prac Payments, the scope and format of required communications (beyond written notice) remain unspecified. Universities also require greater clarification as to the role and expectations of providers in advising students of the taxable nature of the payments, and advice to students in navigating the tax implications of payments under individual circumstances.

The expectations of universities in the promotion and awareness of key matters related to Commonwealth Prac Payments needs to be better understood and reflected explicitly in provider guidelines.

RUN RECOMMENDS

The Commonwealth Prac Payment Provider Guidelines outline clear expectations for the promotion and awareness of the Commonwealth Prac Payments.

For further information please contact RUN on info@run.edu.au