The higher education sector is becoming increasingly polarised as overall stable attrition rates mask increasing variation between individual institutions’ track records in retaining students.

And soaring attrition in some universities is coming under the watchful eye of the regulator.

Richard James, a professor of higher education at the University of Melbourne, said government data released last week revealed that while high-retention universities were getting even better at retaining students, the low-retention universities “have got worse”.

Soaring attrition in some universities is coming under the watchful eye of the regulator. Picture: iStock
“This is a direct effect of the demand-driven system. The more aggressive recruiters are out there but the value proposition is not quite there for students. But no one can be quite sure about what is an acceptable level of attrition.”

Anthony McClaran, chief executive of the Tertiary Education Quality and Standards Agency, said the regulator was keeping a close eye on attrition rates. He said the regulator had spoken to individual universities about their attrition rates.

“It’s the one risk factor that is most likely to give rise to a low or medium risk warning,” Mr McClaran said.

“The regulator would want to understand why it’s happening.”

He said an in-depth report into the causes of attrition was due to be released in the next few weeks.

Meanwhile, equity experts say the key risk factors for attrition are online degrees and academic preparedness, with the latter potentially tackled by bolstering sub-degree pathways, particularly enabling programs.

However, a review published this year by the National Centre for Student Equity in Higher Education identified a lack of transparency and transferability that was likely to hinder student take-up of the programs.

“Greater consistency of program design would increase opportunities for institutions to recognise enabling programs other than their own for the purposes of admission to further undergraduate studies,” the report found.

Twenty-seven universities run 48 enabling programs, providing 13,511 funded places, or 1.4 per cent of the total student load.

Andrew Harvey, director of La Trobe University’s access and achievement research unit, agreed, saying “a key issue is the incoherence of the enabling programs, which vary across the country and are allocated on historical anomalies”.

Previously, a 2013 review of the demand-driven system proposed extending the policy to sub-bachelor places to address concerns about falling Australian Tertiary Admission Rank cut-offs by increasing students’ academic preparation. But the review was unable to conclude whether enabling programs should be included in the demand-driven system.

Dr Harvey said the academic achievement of the local school sector could be a factor contributing to the wide variation in attrition rates among states and institutions.
The latest statistics showed NSW (12 per cent) and Victoria (13 per cent) experienced much lower sectoral attrition than Tasmania (38 per cent) and the Northern Territory (26 per cent).

Within the discussion of attrition rates under the demand-driven system there was some confusion between socioeconomic status and academic preparedness, said Dr Harvey.

“Low SES students are more likely to be academically less prepared, there is some correlation there. But the actual risk factor is the low preparedness. Low SES students who get to university typically outperform their ATAR. The highest risk of attrition is a high SES student with a low ATAR,” he said.

Paul Koshy, research fellow at the NCSEHE, said the latest data showed the retention rate for low SES students in 2014 was 2 per cent below that for all students (77 per cent against 79 per cent) and was down 2 per cent since 2009. “We’ve seen the number of equity group students increase substantially over the period, but there is certainly no evidence at this stage to suggest a dramatic shift in attrition,” he said.

Dr Harvey argued the latest figures showed the demand-driven system was proving largely effective with little change in attrition rates, despite big increases in non-traditional students.