



Council of Australian Postgraduate Associations Incorporated

Council of Australian Postgraduate Associations (CAPA)

Response to the Discussion Paper on Performance-Based Funding for the Commonwealth Grant Scheme

February 2019



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Compiled with the assistance of the staff and office bearers of the Council of Australian Postgraduate Associations (CAPA) and its affiliated member organisations.

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Foreword

The Council of Australian Postgraduate Associations (CAPA) is the peak body representing the interests of the over 425,000 postgraduate students in Australia. We represent coursework and research, as well as domestic and international, postgraduates. We are comprised of 28 university and campus based postgraduate associations, as well as the National Aboriginal and Torres Strait Islander Postgraduate Association (NATSIPA).

CAPA carries out its mission through policy, research, and activism, communicating the interests and issues of postgraduate students to higher education stakeholders as well as Federal and State Governments, Opposition parties, and minor parties.

The Consultation Paper considers the distribution of Commonwealth Supported Places (CSPs), investigating how CSPs should be allocated including where to make a cut of 3000 CSPs - close to five percent of the current allocation. In our submission, we note that CSPs form a minority of postgraduate coursework places, with demand for postgraduate courses far exceeding current Government funding levels. We suggest that the CSP allocation for postgraduate degrees be based on criteria of exclusion rather than inclusion, where a case would have to be made for each excluded degree that it is not of sufficient benefit to merit Government funding. We also discuss adverse equity outcomes of inclusion criteria, and recommend that some funded places should be created for disadvantaged students if the Department proceeds with the suggestions they outline in the Consultation Paper. So as not to disadvantage current students, we outline that transitional arrangements should be implemented with the first removals of any CSPs to occur four years from now to allow students to complete their study plans. Finally, we voice our opposition to funding cuts to enabling courses.

On this basis, we have made the following recommendations:

Recommendation one: That the Government establish a review into postgraduate coursework fee regulation to explore options and to understand the impact of fee regulation on the higher education system.

Recommendation two: That the 3000 discontinued CSPs be returned to the allocation pool, in the short-term.

Recommendation three: That CSP allocation be determined on exclusion rather than inclusion criteria, with the number of CSPs increased.

Recommendation four: That some CSPs are reserved for disadvantaged postgraduate students in otherwise full-fee paying courses, in order to offset negative equity outcomes of the allocation criteria.

Recommendation five: That any reductions in the allocation of CSPs for particular courses be implemented in 2023 or later, so as not to disadvantage current undergraduate students under the “Melbourne model”.

Recommendation six: That demand-driven funding arrangements be implemented for enabling courses.

The extortionate cost of postgraduate coursework degrees

The Consultation Paper considers a reduction in the number of CSPs and asks stakeholders what is the minimum viable amount of CSPs. We oppose any cut to CSPs for postgraduate students. Rather, there is a pressing need to increase the number of CSPs available for postgraduate students, given the rapid increases in the size of this cohort in recent years.

One reason for this growth is the introduction of the “Melbourne model”, in which students undertake a generalist bachelor-level degree (such as a Bachelor of Arts) followed by a coursework Masters degree in which the student specialises for their profession. This model was introduced to Australia by the University of Melbourne in 2008, and is an increasingly popular mode of study nation-wide. This is reflected in part by increasing CSP allocations at Group of Eight universities including the Universities of Melbourne, Western Australia, and Sydney, as indicated by the Consultation Paper.

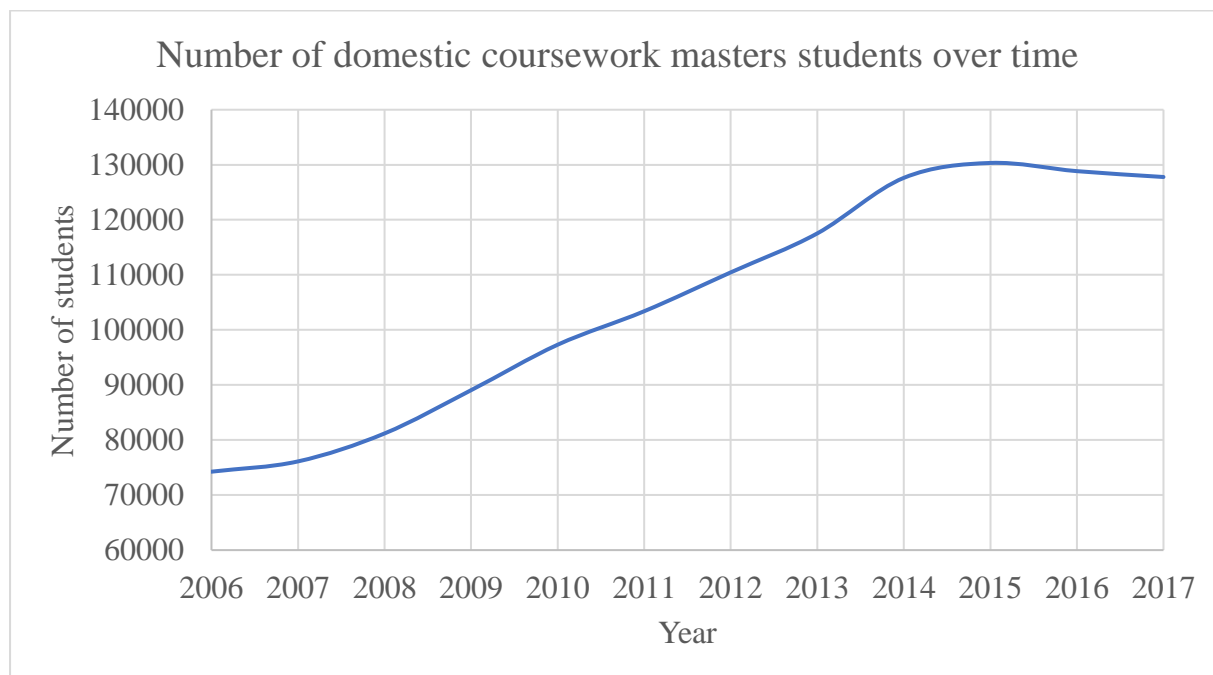


Figure 1: Growth in domestic postgraduate coursework students. Source: Compiled by CAPA using DET statistics.

The above chart - compiled by CAPA using Department of Education and Training statistics (DET, 2013a; 2013b; 2014; 2016; 2018) - shows this increase over time in the number of domestic students enrolled in coursework Masters degrees. While the Australian population increased by 16% in this time (2006 to 2017), the number of domestic Masters students

increased by 42% (note that a limitation of this comparison is that population and enrolment growth by age group has not been considered).

Masters degrees are now more necessary than ever before in order for Australians to compete for jobs. Despite this, the majority of postgraduate coursework students are unable to access a CSP. Our research – conducted jointly with the National Union of Students, University of Melbourne Graduate Student Association, and University of Western Australia Student Guild – found that only 32% of domestic coursework students hold a CSP, with the remaining 68% paying full fees (NUS, CAPA, GSA, UWA Student Guild, & UMSU, 2018). This compares to almost all (93%) of undergraduate students accessing a CSP.

Concerningly, there is no regulation on the cost of postgraduate coursework degrees for domestic students. Our research also found that typical fee costs for popular study combinations under the “Melbourne model” are between \$70,000 and \$120,000, as illustrated in the below graph (NUS, CAPA, GSA, UWA Student Guild, & UMSU, 2018).

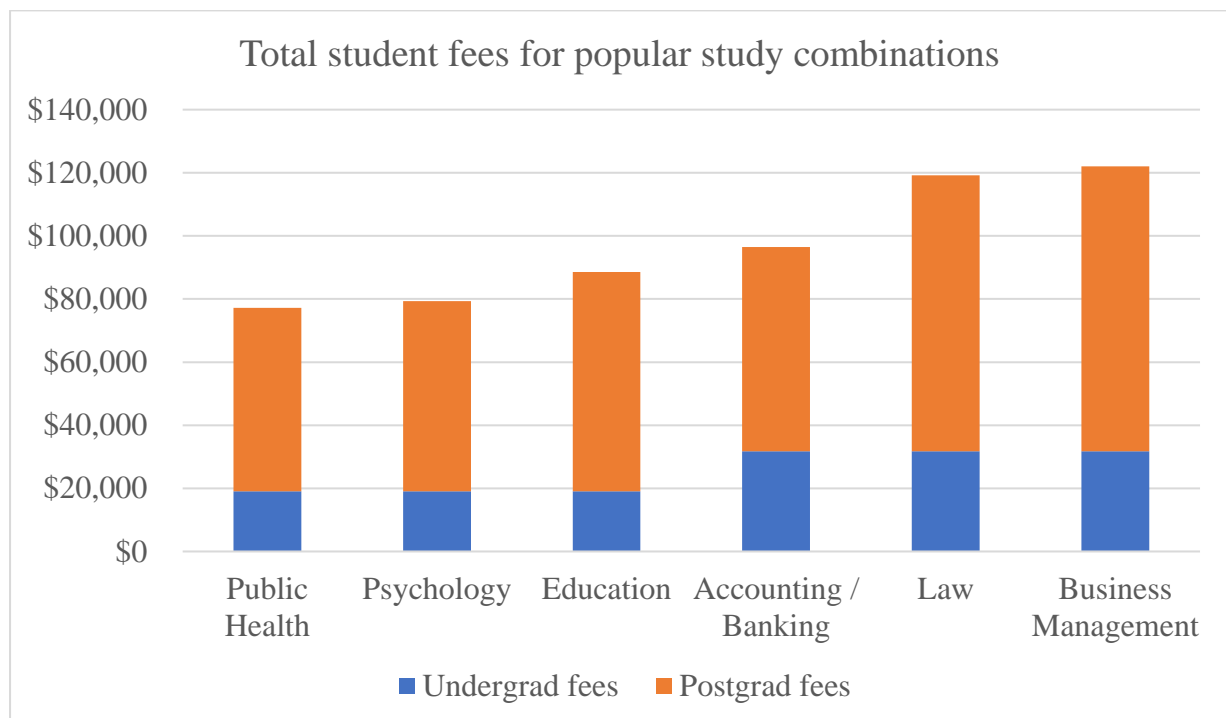


Figure 2: Total student fees for popular study combinations. Source: (NUS, CAPA, GSA, UWA Student Guild, & UMSU, 2018).

At its most extreme, domestic students studying the Doctor of Medicine can pay the equivalent of a small house in tuition fees. At the University of Melbourne, domestic medical students can expect to pay of \$270,000 for their degree (Cervini, 2016); while at Bond University - a private university - the medical program costs up to \$378,154 (NUS, CAPA, GSA, UWA Student Guild, & UMSU, 2018). Most disturbingly these fees are rising (Cervini, 2016). The Juris Doctor at the University of Melbourne rose from \$81,900 in 2008 to \$119,442 in 2016, a 46% increase in just eight years (Cervini, 2016). Where fees exceed the maximum value of FEE-HELP loans offered by the federal governments, if students wish to continue their studies, they

must scramble to take private loans or draw on family support to help cover the gap. The extortionate cost of postgraduate study has also led to Government panic about growing national student debt (Commonwealth of Australia, 2018, p. 1335). As argued in our pre-budget submission, we believe that the Government must place restrictions on the cost of postgraduate tuition in order to reduce the debt burden on students as borrowers and on the Government as lenders (CAPA, 2019).

The Consultation Paper seeks to examine how postgraduate CSPs should be distributed in future. It does not propose to increase the number of CSPs despite the urgent need to do so - rather, 3000 CSPs have been cut. This is an attempt at tinkering at a fundamentally flawed policy setting.

Recommendation one: That the Government establish a review into postgraduate coursework fee regulation to explore options and to understand the impact of fee regulation on the higher education system.

Recommendation two: That the 3000 discontinued CSPs be returned to the allocation pool, in the short-term.

Proposed allocation criteria

The Consultation Paper (page 14) mentions the limitations of assessing professional entry, skills shortage or national significance for the purposes of making funding decisions. Despite this, these criteria are retained as suggestions for how to prioritise CSP allocation.

We believe that a total overhaul of postgraduate coursework funding policy is needed in order to alleviate pressures on students and on universities, and we sympathise that the Department of Education has been given an impossible brief to address issues within the system by making suggestions for cuts and reallocations of existing inadequate resources.

The foremost criterion relates to minimum professional entry standards; that is, a course shall be approved for CSPs if it is the minimum legal accreditation to become a practitioner (e.g. accounting or dentistry), or it is the shortest pathway to enter a profession. Students in postgraduate coursework degrees are generally undertaking their degree because it is necessary or beneficial to their career. Postgraduate degrees are, in most cases, professionally oriented; more so than undergraduate degrees, yet domestic undergraduate students can almost universally access CSPs.

We posit that the method of determination of CSP allocation should be flipped, in that all postgraduate coursework degrees should attract CSP places unless stated otherwise, with excluded degrees being the special cases for which there is little or no professional or community benefit. This would require the Department to examine each course for which they would like to withdraw CSP funding. At current enrolment rates, this would also require a much larger amount of CSPs.

Recommendation three: That CSP allocation be determined on exclusion rather than inclusion criteria, with the number of CSPs increased.

If the Department persists with the criteria suggested in the Consultation Paper, careful attention must be given to minimising adverse outcomes, particularly in terms of preventing low-income or otherwise disadvantaged Australians from accessing postgraduate education.

For example, the Consultation Paper considers whether priority for CSP places should be given to courses where:

the course delivers significant community benefit where private benefits may be more limited and where graduate salaries may be comparatively lower while demand for skills is high (for example in selected health professions)” (page 14)

It is important to regulate and subsidise tuition prices for vital but low-paying industries in order to attract individuals to those professions. However, we caution that the unintended consequence of this approach would be to deter low-SES individuals from attempting to enter higher paying professions - therefore entrenching existing social inequalities. For those with a low-SES background, fear of debt acts as a deterrent to even applying to university (Callender & Mason, 2017). Prioritising CSPs for low-earning but important occupations creates inequity by making high-paying professions more inaccessible to lower-income earners who are deterred from investing in an expensive education.

A further equity consideration is that there can be a double financial penalty for undertaking full-fee courses. The current criteria for CSP eligibility are almost the same as criteria for Austudy payment eligibility. Courses which are not eligible for either are financially inaccessible for lower and middle income Australians. This goes against the spirit of public university education in Australia, which is supposed to provide an opportunity for all to improve their earning prospects and contribute more to society. Interactions between CSP and Austudy eligibility must be considered in any changes to CSP allocation.

Equity issues arising from the allocation policy could be alleviated by introducing a limited number of CSPs or (preferably) full tuition scholarships for disadvantaged (particularly low-income) students in courses that are usually full-fee paying. While this solution does not fix the inherent problem of there being too few CSPs, it can function as a band-aid approach until such a time as reforms are made.

Recommendation four: That some CSPs are reserved for disadvantaged postgraduate students in otherwise full-fee paying courses, in order to offset negative equity outcomes of the allocation criteria.

Managing change

The Consultation Paper posits that reallocation only apply to commencing students, so that current students are not disadvantaged. We recommend that any changes to remove CSPs from Masters-level courses be introduced at a slower rate, so as not to disadvantage those who are currently at the beginning of their planned trajectory of study. Those who have planned their course of study under the Melbourne model will have selected a generalist undergraduate and specialist postgraduate degree. A student in this circumstance who has commenced their first year of undergraduate study this year will commence their Masters degree in 2022 at the earliest (if they study full-time, with no intermissions, pass all subjects, and have no gap between their undergraduate and postgraduate degrees). If a student was planning their education taking into consideration the availability of CSPs - as many students do - they may be disadvantaged by the changes in allocation. Changing from a CSP to a full-fee paying place costs tens of thousands of dollars, at minimum. So that the change is implemented in a fair way, we suggest that any courses which are to have their CSP allocation removed or reduced have a longer transitional period.

Recommendation five: That any reductions in the allocation of CSPs for particular courses be implemented in 2023 or later, so as not to disadvantage current undergraduate students under the “Melbourne model”.

Cuts to enabling courses

We oppose the cut to enabling courses. Reducing accessibility to these courses caps opportunity for vulnerable Australians who wish to undertake an education and improve their employment prospects. We believe that enabling courses should be accessible to all who need them. The five percent reduction, with no rationale given, is taking from those who are already disadvantaged.

Furthermore, we are concerned about new allocation procedures for enabling courses. The allocation of 500 new sub-bachelor and enabling courses for regional areas is to be managed outside of the general allocation process, as stated in the Consultation Paper. These 500 places approximately offset the five percent cut. This allocation of 500 forms part of the Government’s attempt at vote-buying in marginal seats (Dodd, 2018). Allocating places based on the areas in which the Government needs to win seats at the next election leads to exactly the type of “historical, ad hoc decisions” on allocation which the Consultation paper is attempting to redress.

Recommendation six: That demand-driven funding arrangements be implemented for enabling courses.

Conclusion

It is our view that Consultation Paper on the reallocation of CSPs for enabling, sub-bachelor and postgraduate courses suggests small adjustments to a fundamentally flawed policy setting owing to extreme under-funding. We suggest that a wholesale review into postgraduate

coursework fee regulation should be conducted. We recommend that decisions on CSP eligibility could be greatly improved by using exclusion rather than inclusion criteria, with excluded courses being only those which are deemed to not be beneficial to the student's career prospects or contributions to society - and allowing for an increase in funding should the number of eligible courses increase. Within the parameters of the current system, we recommend that funding be restored for the 3000 discontinued postgraduate CSPs, that some CSPs should be reserved for disadvantaged postgraduate students in otherwise full-fee paying courses (in order to offset negative equity outcomes of the allocation criteria), and that removals of any CSPs be implemented in 2023 or later to ensure current students under the "Melbourne model" are able to complete. Finally, we have noted our opposition to cuts to enabling courses, and suggested that these courses be funded according to student demand.

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