



# VICTORIA UNIVERSITY

*Response to the Consultation Paper on the Reallocation  
of Commonwealth Supported Places for Enabling, Sub-  
Bachelor and Postgraduate Courses*

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## VICTORIA UNIVERSITY DETAILS

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## Introduction

Victoria University (VU) welcomes the Department of Education and Training's (Department's) review of the Commonwealth supported place allocations for designated places to higher education providers through their three-year funding agreements, and the opportunity to respond to the Department's *Consultation Paper on the reallocation of Commonwealth supported places for enabling, sub bachelor and postgraduate courses*.

VU understands that the policy intent is to 'provide for evolutionary change in allocations over time rather than a zero based allocation of places' and that within this context the Department's overarching aims are to achieve:

- better correlation between the allocation and utilisation of designated Commonwealth supported places for eligible enabling, sub-bachelor and postgraduate courses
- clarity about the process, inputs and performance measures the Department will use to determine allocations
- clarity about the criteria used to assess and determine the eligibility of enabling, sub-bachelor and postgraduate courses for Commonwealth funding, and in the case of sub-bachelor and postgraduate courses, to align educational outcomes with industry needs.

VU agrees that Commonwealth funding for tertiary education should be efficient and benefit the community in the long term, and agrees that Commonwealth funding is appropriate for:

- sub-bachelor (including enabling) courses should offer students opportunity to progress to further education in pursuit of their learning and employment aspirations, and
- postgraduate courses should provide graduates with a recognised entry-level qualification to professions which emphasise community benefit over personal gain.

VU also believes there are some postgraduate courses which are of benefit to society, and to a modern economy, which do not lead to professional registration or accreditation, but which are appropriate for the Commonwealth Government to invest in – courses in the humanities in particular. Our submission offers examples of courses that VU believes should be considered.

More broadly, VU recognises that sub-bachelor and postgraduate coursework programs are part of an opportunity continuum for all students, either side of which on the Australian Qualifications Framework sit Certificate-level vocational education and training (VET) courses and higher education (HE) degrees by research. As a dual sector university, VU provides engaging career-focused tertiary education at all levels with flexible entry and exit points, appropriate pathways, engaging and rigorous curriculum and contemporary delivery. It offers this for students from any background, and with an aim of being deeply connected with schools, industry and the community.

VU therefore supports the Department's aims to achieve a responsive and effective tertiary education system that creates opportunity for students and long-term benefit for all Australian communities, and also supports a responsive and effective approach to funding VET and HE degrees, which Commonwealth supported places for eligible enabling, sub-bachelor and postgraduate courses of study forms part of. Although a holistic approach to VET and HE funding is beyond the scope of this current review, VU would nonetheless support further work that would lead to more equitable funding arrangements for VET and HE courses for universities and TAFEs – providers established by statute

VU sees three key elements to the Department's proposals – the process for allocating places; eligibility criteria for courses to receive Commonwealth funding and the principles, inputs and performance measures for allocation places – and our submission is provided in response to these elements in a structure that follows the consultation paper.

## Principles for Allocation of Places

### Commonwealth Consultation Paper

VU notes the Department is seeking feedback informed by principles and performance measures for each course level under review, and utilisation of places and student for all levels. It has outlined the following principles:

- Enabling courses — places will be allocated to universities that achieve high standards of academic preparation and strong student outcomes.
- Sub-bachelor courses — priority will be given to courses that focus on industry needs and/or fully articulate into a bachelor degree.
- Postgraduate courses — places will be allocated to providers on criteria informed by professional requirements and community benefit.

The Department has also proposed that criteria for allocating places be regularly reviewed, most likely every three years in line with funding agreements, to ensure that they remain relevant and in line with Government priorities. And it is seeking feedback on whether and to what extent inputs such as regional population growth and workforce needs, and relative socio-economic disadvantage across regions, should be used as criteria for allocating designated places.

### VU Response

VU is broadly supportive of the Department's proposed principles and for the criteria generally proposed above to be used as inputs to provider allocations. In particular it strongly agrees with the principle that population growth, workforce needs and the need to address social disadvantage in areas proximate to a provider's campuses should be used to help calculate the allocation. Further detail is provided in response to the elements the Department is seeking feedback on.

## Process and Implementation

### Process

### Commonwealth Consultation Paper

The department has sought feedback on the frequency of reallocation:

- annual and occur before each grant year, or
- every three in years, which the Department prefers, in line with the period of a funding agreement, with an initial reallocation in 2020, the last year of the current funding agreement.

The Department has also proposed reducing designated places for commencing students in all funding clusters, and at all course levels, by five per cent as a way of improving the correlation between its allocation and provider utilisation across the sector

### VU Response

There are two elements to the Department's proposal:

- what should happen in 2020
- what should happen from 2021

In relation to 2020, VU has reservations about the Department's proposal to reduce designated places by the same proportion for all providers across all funding clusters – in this case a five per cent reduction in commencing places. While a proportionate reduction would broadly improve alignment between allocations and load across the sector without disadvantaging current students, it does not take load trends into account, and would disadvantage providers who are largely meeting, exceeding or growing their load in courses which meet the Department's current eligibility criteria. VU proposes that for 2020 the Department take load trends and forward projections into account when allocating places so that any reallocation is based on each provider's individual circumstances. This proposal is consistent with VU's proposed approach below for allocating places from 2021.

Beyond 2020 VU sees benefit in an approach which combines a three year allocation with an annual review, where the Department:

- allocates designated places for each of the three years of the funding agreement – with the potential for different allocations in each year for enabling, sub-bachelor and postgraduate programs
- reviews annually, and potentially varies, the allocation for each remaining year of the funding agreement where needed, provided the department is satisfied that providers are not filling places with uncommitted students to maintain their allocation
- establishes a process, supported by guidelines – including timeframes for assessment and decision – for providers to apply for courses to be added or removed to their approved list and for the provider's allocation to be varied where needed.

The Department of Social Services' *Guidelines for the approval of Masters courses for student payments* offers an example of how the criteria and process may be explained. Other inputs could include some or all of the criteria the Department has outlined separately for enabling, sub-bachelor and postgraduate courses, which VU has commented on below.

In relation to postgraduate courses, VU would support an approach where both departments agree to one process and set of criteria for postgraduate courses that are eligible for Commonwealth investment or funding. This approach would introduce an administrative efficiency for the Commonwealth and providers, and create one list of postgraduate courses for which students are eligible for Commonwealth support.

### **Inputs to the allocation process, excluding performance criteria**

VU considers the allocation of designated places should be based on a range of inputs, including the providers historical load trends and future load projections for eligible courses, as well as many of the criteria the department is currently considering.

VU considers historical trends and future projections a more responsive approach to allocating places than a provider's utilisation of places *per se*. Utilisation will show the relationship between a provider's allocation and its actual load, but not the future need. Using trends and projections would also enable the Department to be more efficient and responsive in allocating places – for example, for new courses or new pipelines of students – and is unlikely to pose significant challenges for providers when planning their future intakes, as projections are tied to planning processes. Where a provider's projections significantly depart from the historical trend, the Department could require the provider to submit evidence to show the basis for the projection.

VU understands that part of the Department's aim in allocating and funding designated places at the sub-bachelor and postgraduate levels is to align funding for postgraduate places with future workforce needs. VU supports the Department's efforts to understand workforce needs, including population growth at a regional level. Beyond population, VU sees potential for using different criteria to sub-bachelor and postgraduate course, such as:

- for sub-bachelor courses, a provider may have developed a course in partnership or consultation with an industry body where there is a recognised skills gap at a local or regional level

- for postgraduate courses, the department could consider working with providers, relevant government agencies and industry bodies to calculate future workforce needs in professional services by region, and use this as a guide for allocating designated places across the sector and for each provider.

An important consideration for the Government and each provider is the number of Commonwealth supported places that will be available at postgraduate level for students commencing in an undergraduate degree, but who must complete a postgraduate qualification to practice in their field. VU considers the Government's process for determining future allocations for postgraduate places in particular should take the provider's undergraduate pipeline into account. Students starting a three-year bachelor degree in a rehabilitation therapy profession such as osteopathy or physiotherapy should have confidence that they can progress to a Master-level course in a Commonwealth supported place, as these professions require a master-level qualification to register and practice.

An approach that uses such a range of inputs would be responsive to the needs of providers and improve alignment between allocation and utilisation of public funding for the university sector. VU believes this would also provide for the department:

- confidence that three-year allocations are based on a range of evidence that would help to align allocation of places to workforce needs and utilisation by providers
- flexibility to vary the allocation from year for each provider, with the potential for growth or reduction in designated places
- greater confidence in the alignment between allocated places and workforce needs for providers
- alignment between their planning and allocations for eligible courses over the three years of the funding agreement
- confidence that with annual reviews, allocations would be responsive to changes to the list of eligible courses, changes to admissions policies, improvements in learning design, academic support programs, retention and completions, changes in delivery including campus location, and changes to bachelor pathways which may increase demand for sub-bachelor courses.

As there may be some courses that do not meet the criteria which the Commonwealth Government may determine are eligible for Commonwealth Supported Places from 2020 – the date it intends to begin reallocations of places. VU would see benefit in the Government adopting transition arrangements for 2020 – for example:

- allowing providers time for the Department to assess and approve current courses in line with any new eligibility criteria
- allowing providers time if necessary to design their currently eligible courses to meet new eligibility criteria, and to have the department approve courses in line with new criteria
- allowing students already enrolled in courses which meet current criteria, but potentially not new criteria, to keep their Commonwealth supported place under they complete their course of study

## Criteria for Determining Eligibility of Courses and Quantum of the Allocation

### Enabling Places

The following sets out VU's response to elements items the Department sought feedback on for enabling places:

- *Student progression to further study at tertiary level*

VU agrees that, for enabling students, progression to further study at a tertiary level is one measure that may be factored in to the Department's determination of a provider's allocation.

However, some enabling students who progress to tertiary student may choose a different provider to the one where they completed their enabling course, and some who complete an enabling course may decide that a university course is not their preferred path and progress to another learning option.

In view of these possibilities, VU proposes that the Department include

- progression to tertiary study includes study at another higher education institution as a measure of progress
- TAFE study at Certificate IV level or above in the definition of tertiary study.

Courses at the Diploma and Advanced Diploma levels, especially, often provide for admission to higher education courses, while Certificate IV courses provide students with employable, industry-relevant skills. These outcomes from a TAFE course are consistent with the Department's aims for investing in sub-bachelor courses, and VU would contend that the outcome for the student and the community benefit of a student progressing from an enabling course to a TAFE course at the levels described above is equivalent to the student progressing to a higher education sub-bachelor course.

Also, enabling courses are undertaken by learners who are underprepared for tertiary study and may find study at this level challenging. In addition to progression, VU proposes the following additional measures for consideration:

- course completions
- unit completions, and
- unit pass rates.
- *Existing utilisation of places*

As noted above, VU prefers an approach where designated places are allocated using actual course trends and future projections, provided the allocations include enough upside so providers receive enabling loading for all students.

- *Profile of commencing students:*

As the University of Opportunity and Success Victoria University is committed to improving the education of students from disadvantaged backgrounds and would welcome demonstrating its support for equity groups and students from disadvantaged backgrounds.

VU notes the Department's has proposed to analyse a provider's commencing student population to understand the prevalence of equity groups. VU believes that in itself this information is insufficient because a provider's student profile:

- is a reflection of a provider's admission settings, which may not necessarily provide reflect its community profile of regions
- does not in itself show the rates of participation of its communities in post-school education, not whether providers are improving rates of disadvantage groups where they are below the community average.

VU would prefer that the Department take a provider's whole community profile into account, not just its student profile, when considering how addressing disadvantage and consider the appropriate levels of funding for providers to address and participation rate imbalance

- *Innovative teaching models*

Victoria University is a leader in innovative teaching and would welcome this as a criterion. However, definitions of what is considered 'innovative' would need to be carefully articulated so provider claims are evidence-based.

## Sub-Bachelor Places

### Commonwealth Consultation Paper

VU notes from the consultation paper that the Government:

- While is no longer pursuing demand driven funding for sub-bachelor places, it remains committed to ensuring that sub-bachelor places deliver for the needs of students, taxpayers and employers.
- acknowledges that sub-bachelor courses provide a valuable qualification in themselves, the prioritisation of courses that fully articulate from sub-bachelor to bachelor-level study promotes the most efficient pathway for students wishing to continue with their study
- is intending to require courses to either have full articulation to bachelor-level study or be open only to students that are concurrently enrolled in a bachelor degree program at the same institution.

The Government has also proposed a range of criteria for eligibility and allocation of designated places which VU has responded to below.

### VU Response

The following sets out VU's response to the items the Department sought feedback on for enabling places:

- *Courses address industry needs*

As a dual sector university VU is committed to supporting students learn industry-based skills and pathway to further study. VU supports Commonwealth investment in sub-bachelor degrees which are designed to lead to employment and which fully articulate into bachelor-level courses. VU also supports Commonwealth investment in cognate diplomas.

The Government has proposed criteria in which 'industry relevance' may be interpreted narrowly, as many criteria relate to employment outcomes. VU would prefer language in which eligibility criteria are explicitly inclusive of sub-bachelor courses which may not in themselves directly provide an employable qualification but which lead to qualifications that ultimately address national priorities or skills shortages, such as increasing the number of students undertaking teaching courses, in line with the *Commonwealth Grant Scheme Guidelines 2012*.

For example, VU's Diploma of Education Studies is an award which full articulates into:

- Bachelor of Education (P-12), an award which provides for teacher registration, and
- also the Bachelor of Education Studies, which upon successful completion provides admission to the Master of Teaching which then provides for teacher registration.

The Diploma of Education Studies is in this way part of a 'pathway promise' to students to successfully train and register as teachers, where they complete the Diploma to the required academic standards. It is designed for students who do not meet state-based entry requirements through the Victorian Tertiary Admissions Centre, or who have successfully complete the Certificate IV in Liberal Arts, and who wish to pursue a career in teaching. It provides a pathway for a broad range of students, including those from disadvantaged backgrounds, to pursue a career in teaching.

- *Existing utilisation of places:*

As noted above, VU would support an approach where designated places are allocated using actual course trends and future projections, provided the allocations includes enough upside so that providers receive enabling loading for all students.

- *Demonstrated demand: this could be assessed in relation to local population growth and/or youth population.*



VU supports local population growth as a criterion for allocating sub-bachelor Commonwealth Supported Places. This submission includes general comment in response to the Departments summary of issues and questions.

- *Completions and transition to further study at tertiary level, and*
- *Attrition*

VU sees the definition of attrition as important, as students in the early stage of their academic may attrite from a sub-bachelor course but still be retained as a tertiary student in the VET or higher education sectors.

VU would see it as legitimate to consider a student retained in tertiary education if they did not complete their sub-bachelor course but instead transferred to a course such as a Certificate IV, VET Diploma or Advanced Diploma, trade or other qualification which leads to an employment outcome.

In addition, the Victoria University Block Model of teaching, where a full time student may enrol in four consecutive four-week units rather than four concurrent 16-week units, increases the number of Census Dates per semester – and therefore flexibility of student – for undergraduate students.

It would be possible for a VU student to complete a full time or substantial part-time load in their second year or third year of study, and yet not enrol in either of the first two blocks of semester 1.

A student with this enrolment pattern would not have reportable load at the time most other providers would have their first semester Census Date. It is therefore important that the Department take VU's innovative approach to undergraduate teaching into account when defining and using attrition as a performance measure.

- *Demonstrated need: this could be assessed in relation to current post-secondary provision in the region relative to national average*

VU support this criterion – as an additional criterion to population growth – in principle, but has concerns about how allocations that use this criterion would work in practice. Rates of post-secondary school participation in VET and HE courses vary between regions, including metropolitan regions. If the demonstrated need criterion was used to help providers increase rates of participation in tertiary education in their communities, it should do so in a way that targets appropriate rates of participation in both VET and HE courses. It would not be in the interests of the community or industry if Commonwealth allocations for sub-bachelor places were increased to a level that makes HE places available at the expense of participation in VET courses.

## Postgraduate Places

### Commonwealth Consultation Paper

VU notes the Government is proposing to:

- adopt criteria set out in the consultation paper for the eligibility of courses to receive Commonwealth funding, which will replace the interim criteria introduced in 2011, and
- cyclically review criteria for course eligibility and allocation of places, in consultation with the sector and other stakeholders including employers and professional accreditation bodies.

### VU Response

The following sets out VU's response to the items the Department sought feedback on for postgraduate places:

- *Which courses are subsidised:*

VU considers that the Government's proposals for which courses are subsidised should be the subject of further consultation with the sector, once the Government has developed specific criteria in line with its proposed principles that. :

- courses deliver significant community benefit where private benefits may be more limited and where graduate salaries may be comparatively lower while demand for skills is high; or
- where the qualification is a minimum requirement for professional registration/accreditation by a recognised professional body or the minimum qualification legally required for practice in a profession.
- where the qualification is the shortest possible pathway to a professional qualification.

VU believes that the key questions – not canvassed in the consultation paper – is how to define *significance* in relation to community benefit, and how to set appropriate private benefit thresholds, and how thresholds can be applied consistently across Australia when community needs and benefits vary between regions, and professional salaries vary not only in terms of starting salary, but also in terms of final salary.

Should the Government adopt its proposed approach without further consultation, then VU would proposed that the Government provides transition arrangements for:

- students currently enrolled in any postgraduate course that becomes ineligible for subsidy
- students who may be enrolled in an undergraduate course which transitions to a postgraduate course that is a minimum requirement for registration/ accreditation or legally required for practice in a profession – this provides requires a five year minimum transition period for students who enrol in the first year of a bachelor degree and are required to complete a two-year masters in the same field in order to practice.

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The Department also proposed that courses which meet ‘identified skills shortages’ should also be eligible for Commonwealth supported places, and raised the issue of how best to define a skills shortage.

Should the Government adopt skills shortages as a criterion for a course’s eligibility for a Commonwealth Supported Place, then VU sees merit in the Department’s proposed approach of using professions listed on the Department of Jobs and Small Business Skills Shortages List to define skills shortages, as it is logical rely on an evidence-based determination by a Government agency to determine a shortage at a national state or regional level.

However, VU does not see that a skills shortage criterion is in itself sufficient to warrant Commonwealth investment in postgraduate programs.

There may be times when a skills shortage in a field where graduate may enjoy significant private benefits from a postgraduate qualification which may not be a minimum requirement for professional practice.

Such a circumstance may work against the Government’s intention invest in courses which deliver significant community benefit and limited private benefit, and which are essential for professional practice. In these circumstances VU considers there may be benefit in applying threshold tests and limits to the skills shortage criterion, such as:

- would the postgraduate program would lead to employment in a professional where the salary exceeds the ‘private benefit’ threshold
- can funding be limited to Graduate Certificates or Graduate Diplomas – courses with half and one-year durations when done full time – which would limit Commonwealth investment while addressing an acute shortage.

VU would welcome further consultation from the department following its consideration of responses from other providers.

VU also believes there are some postgraduate courses which are of benefit to the community, and to a modern economy, which do not lead to professional registration or accreditation, but which may still be appropriate for the Commonwealth Government to invest in – courses in fields such as anthropology, history, human geography and philosophy may be appropriate as they provide a deep understanding of societies which can inform how new industries and new technologies can be best developed and matured for the benefit of the societies into which they are introduced.

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VU notes the Government's view that *"it is not in the interests of students or the public to see an unjustifiable increase in initial entry requirements, because it increases forgone income and requires taxpayers to fund longer periods of study"*.

VU agrees in principle that an *unjustifiable increase* in initial entry requirements to a profession is not in the public interest. However, VU sees that as community expectations for quality services increases, there may be an increased need for professions to require successful completion of a postgraduate course as an entry-postgraduate qualifications.

Commonwealth funding overall will need to consider minimum levels of service in line with Australian and international standards in some professions – especially health and care services – and the qualifications required to perform to these standards as a recent graduate. This may require an increase in Commonwealth investment in postgraduate qualifications in future.

In this context, VU would appreciate the department advising it is considering an overall limit to the number of postgraduate places it is prepared to fund, or whether it is considering as a matter of principle to fund the number of places which providers are able to provide in line with the Department's eligibility criteria.

- *Existing utilisation of places:*

As noted above, VU would support an approach where designated places are allocated using actual course trends and future projections, provided the allocations includes enough upside so that providers receive enabling loading for all students.

- *Student satisfaction*

VU has concerns over the use of student satisfaction data in that satisfaction as measured by the Students Experience Survey –the sector wide survey instrument – is not statistically reliable at a course level. VU understands that the Department's proposal is to allocated designated places on the basis of eligible courses, and so has concerns about the use of satisfaction.

There may be scope to consider satisfaction at a more aggregated level, such as the Field of Education, but care should be taken to ensure the measure can be reliably applied across the sector to ensure the number or proportion of places distributed using this criteria is fair.

VU also notes that student satisfaction does not measure learning outcomes or skill development. Department wishes to develop. VU would prefer any satisfaction measures to relate to aspects of learning and teaching rather than, say, overall experience, where scores may depend on factor beyond the course itself.

If the Department decided to use student satisfaction as a criteria, then VU would welcome a further opportunity to comment on any s criteria.

- *Graduate employment outcomes*

VU understands the Department's view that graduate employment outcomes provide insight into the value of the Government's investment in postgraduate education from a public policy perspective. As the Department notes, however, employment is subject to a range of factors.

A key criteria for courses to be eligible for Government funding is that they lead to professional registration or accreditation. To account external factors that influence employment, the Department could consider measure and reporting rates of professional registration as well as employment, which would provide an indication of a graduate's

willingness to work in their Field of Education. VU notes, however, that professional registration is not in itself a reliable measure as graduates may find work outside their field of study in jobs not requiring registration.

- *Representation of equity groups*

VU strongly supports the inclusion of this criterion.

## Summary of Issues/Questions

The following sets out VU's response to the items the Department sought feedback on for enabling places:

- *Should geographical representation be a consideration in distribution of places?*

VU supports population growth and regional industry and workforce needs as an input factor to determining the allocation of designated places. VU would support a different inputs for calculating sub-bachelor and postgraduate – such as using

- 19 – 25 age group population growth for enabling and sub-bachelor places; or
- 19 – 64 working age population growth for postgraduate places; and
- industry and occupation growth estimates for postgraduate and for sub-bachelor places.

Measures of social disadvantage should also be considered with higher levels of access and participation from student equity groups used as the criteria for allocation of places for enabling and sub-bachelor pathway programs.

- *What is the minimum viable allocation for enabling, sub-bachelor and postgraduate places?*

Viability would depend on a range of factors that may be course and provider-specific. For example, at the postgraduate level, demand from international students or full-fee paying domestic students in some courses may provide a minimum viable student cohort that would allow a provider to run a course with fewer Commonwealth supported places. The Department may need to work with providers on an individual basis to understand minimum thresholds for allocating designated place allocations.

If the Department adopted VU's proposal to base allocations on previous trends and future projections, the Department would have sufficient information to consult with the provider about

Costs related to course design also impact on viability. There is

- *How often should places be re-distributed? Should this vary for enabling, sub-bachelor and postgraduate places?*

VU has address this question in the Process and Implementation section above.

- *What proportion of places should be reallocated? Should this vary for enabling, sub-bachelor and postgraduate places?*

VU has address this question in the Process and Implementation section above.

- *What are stakeholders' views on the allocation criteria suggested above? Are there other criteria which should be considered?*

There is currently no incentives in the criteria for institutions to discontinue courses that have low demand. Consideration should be given to incentives for institutions to relinquish places to help service high demand across program levels.

- *How should criteria be configured to ensure that institutions' do not become 'locked out' of future reallocations, especially where they have a limited track record in delivery?*

That institutional projections for the utilisation of designated places should also be considered based on introduction of new courses or changes to existing course learning design or in delivery including campus locations, including an additional grant the subsequent two years to allow for growth in student numbers as the programs reach maturity. VU has address this question in the Process and Implementation section above.