

Allocation and funding of Commonwealth Supported Postgraduate Places: IRU Response

The Government's Consultation Paper "Allocation and funding of Commonwealth Supported Postgraduate Places" addresses the challenge of integrating a demand driven undergraduate funding scheme with provision to fund some, but not all, postgraduate places.

The IRU's response is framed against the following themes:

- Government funding should target the provision of bachelor and sub-degree programs ahead of postgraduate to ensure Australians have access to an initial degree funded to support a high quality outcome;
- the allocation of funded post-graduate places should be done fairly for all universities, ensuring equal treatment and addressing current imbalances;
- funding for postgraduate places should be at the same rate as for undergraduate; and
- universities should be the prime determinant of which courses funded places are used for.

Context

Since the current Government took office in 2007 the previous tight restriction on funded postgraduate places to primarily teaching and nursing qualifications has been replaced with additional approvals made course by course in response to university applications. The additional funded places have been driven by:

- the pushing of previously bachelor qualifications into postgraduate courses, whether as a profession wide change or in response to the plans of some universities; and
- the combination of a postgraduate qualification to the bachelor as the base expectation for practice in particular professional areas.

The Consultation Paper sets out the impact of those additional approvals. About 40 percent of all postgraduate places are now Commonwealth funded such that nearly seven percent of all funded places are now postgraduate. There is, however, considerable variation university by university.

In mid 2011 that process came to a halt with a freeze on further approvals. The freeze privileges those universities which gained approval earlier in the process, at least one in advance of any general Government offer to consider an extension of postgraduate funding. It adversely affects universities in the midst of transforming courses, which includes applications to the Department of some standing which had not been finalised. In some cases universities were left in the position of not being approved for funded places while competitor universities in the same city were able to offer funded places in rival courses. The freeze forces these universities to operate at a disadvantage.

The Review of Base Funding also raised questions about postgraduate places, in particular about the level of funding required. The IRU supports its conclusion that postgraduate and undergraduate places in the same discipline should be funded at the same level to avoid creating perverse incentives for universities to move qualifications to the postgraduate level.

Options for the allocation of Commonwealth funded postgraduate places

The Consultation Paper offers two main approaches to allocating funded postgraduate places:

- places allocated for particular qualifications, or groups of qualifications, based on criteria relating to the qualification being necessary to enter a profession, or to address skill shortages and other national priorities; and/or
- a formulaic allocation to distribute the total number of available funded postgraduate places across universities subject, or not, to particular restrictions on use.

It offers three models that do this:

- Model 1, for Government to allocate funded places to designated courses or course areas university by university;
- Model 2, to provide a set number of funded places to each university, primarily to use as they will but with a sub-option of targeting to Government agreed priorities;
- Model 3, permitting universities to agree on overall funding envelope within which they can use postgraduate places for particular courses if associated with a equal diminution in funded undergraduate places.

In addition Model 4 would give universities an open ended, demand driven, entitlement to funded postgraduate places.

The following sections consider the four models against the Themes set out above.

Model 1

Model One is based on the Government determining that the qualification is a requirement for entry to professional practice or that it will address a current or prospective skills shortage.

The Model is presented as a means to allocate *additional* places. This would not address the major IRU concern about the arbitrary standing of current allocations, particularly those added since 2005. The Model would need to rebase all allocations to ensure each university has equal opportunity for funded postgraduate places in the designated areas.

Section C of the Paper spells out the problems in applying the proposed criteria on a consistent basis. It demonstrates that the growing array of specialisations within broad professional categories makes it hard to define which qualifications are necessary for entry to practice generally against providing a specific additional skill.

There is a trend for various professional bodies to raise the requirements for practice. Few of these are legislative requirements but reflect an argument by the profession about the minimum capability to meet client needs. Universities need to be able to respond to changes in expectations but equally they need to be able to test and if necessary challenge the basis on which professional bodies make such decisions.

Should the Government take up Model one it would need to apply it consistently and fairly.

Over time the Model would mean approving each professional qualification that a university or professional body can show is an entry requirement for practice, with the likelihood that such a provision would encourage professional bodies to add to the professional areas that require postgraduate qualifications as the base level for practice. To minimise this incentive, and the pressure it would place on retaining a viable cap on funded postgraduate places, definition of the

relevant qualifications should be at the broad professional level, and exclude qualifications required to practice in particular niche areas within the broad profession.

It would also mean approving all universities which offer a relevant qualification. Similarly, to address skills shortages all universities serving that relevant market should be approved for funded places in those fields.

To constrain the total number of places so used each university would need to be allocated a maximum number, best set against the total use of funded postgraduate places rather than course by course. Where universities indicate they will not use their full allocation, the unwanted places could be used initially to buffer universities clearly above their allocation and in the longer term made available to all interested universities again on a consistent basis.

Model 2

Model two is the most consistent with the demand driven arrangements for undergraduate places but preserves a strict demarcation between undergraduate and postgraduate provision. It gives universities the main say about whether and where funded postgraduate places are available, to respond to demand and locally assessed need. To restrict the total number of such places universities would have a formula driven limit which should be applied consistently to all universities. Universities would determine the best use of the places they are allocated. These would tend to support access to important professional areas but could also support general access to postgraduate education.

The Consultation Paper sets out the planned future level of funded postgraduate places. This provides for about 7% of the predicted undergraduate allocation. At this level many universities would need to reduce their places to achieve a fair allocation. Universities well over their allocation would be capped at their 2011 number of places in 2013 and then take steps to reduce funded postgraduate load to within the formal allocation through a mix of explicit reductions and growth in undergraduate provision bringing the postgraduate usage within the formula allocation.

Particular consideration should be allowed where a university's postgraduate numbers are still largely driven by teaching and nursing qualifications, and not from individual approvals since 2005. Some approvals using Model 3 below could also be considered exceptions.

Model 3

Model three is presented as a total funding envelope for universities within which there is flexibility across undergraduate and postgraduate provision. It reflects the basis on which many postgraduate qualifications have been approved for funding through offsetting reductions in undergraduate provision, usually in a connected field.

IRU members with proposals lodged, or in development, have been adversely affected through not having those proposals approved prior to the freeze. IRU recommends that all such proposals now in train be assessed on their merits not their impact on Government funding levels, to ensure equal treatment of all universities.

The Consultation Paper indicates that such approvals have been given on a cost neutral basis but that this has yet to be tested in a demand driven undergraduate funding environment. It would be possible for a number of years to identify that a previously undergraduate course is not being offered at that level but over time it would be increasingly difficult to monitor.

Because the Model aspires to be cost neutral for Government it is possible to operate it along with Models 1 or 2 through treating such places as outside the university's allocation. However, the evidence for the offsetting restraint in undergraduate provision would need annual confirmation.

Model 4

The IRU does not support Model four a demand driven approach, with no constraint on the number of funded postgraduate places other than university decisions on the relative value of a funded against a fee paying place.

The Government's requirement for major fiscal restraint has seen various important programs abolished in announcements over 2011. The IRU considers expanding funded postgraduate provision a low priority. Rather the Government should focus on the various high priority areas the Review of Base Funding Report outlines for additional funding.

Conclusion

The IRU considers that the approach to allocating funded postgraduate places should:

- target the provision of bachelor and sub-degree programs ahead of postgraduate. Hence the number of funded postgraduate places should remain controlled but continue to increase;
- be fair for all universities, ensuring equal treatment and addressing current imbalances created due to the approach in recent years of approving additional places proposal by proposal; and
- make universities the prime determinant of which courses funded places are used for within any broad delimiting of the use of funded postgraduate places.

Of the Models put forward for discussion it is possible to apply those points to construct viable versions of Model 1 and Model 2. Both require restrictions on the total number of places per university. In setting those totals, the number for a university should take account of:

- where postgraduate places are for the previously funded areas of teaching and nursing; and
- where the postgraduate qualification replaces an undergraduate qualification with no additional total draw on Commonwealth funding.

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