UWA Student Guild
The University of Western Australia

Response to the Consultation Paper “The Allocation and Funding of Commonwealth Supported Postgraduate Places”

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Endorsed by vote of the 99th Guild Council

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Introduction | The Consultation and this Response

This consultation occurs in the broader context of Higher Education funding reform, including the Lomax-Smith Review and demand-driven funding for undergraduate places, underpinned in turn by broader policy objectives. Those objectives need to be the touchstone for any discussion of funding reform for postgraduate coursework places.

For the Australian Higher Education sector to be internationally competitive it requires both diversity among institutions, and a functional integration between those diverse institutions. To that extent, no broad-brush approach to either policy making or allocation decisions is likely to meet both Governmental and institutional objectives while maintaining the necessary cohesion for international excellence. Instead, any vision for the sector needs to be integrated, through cooperation, into the individual visions of our institutions.

Contexts | An Overview

At the University of Western Australia, there has been a long-standing (and somewhat uncommon) tradition of cooperation and respect between the University administration and the Student Guild. That atmosphere has proven to be quite beneficial for the University community; changes to the campus environment, both large and small, have often been achieved with the support and assistance of students, rather than in spite of them.

The University of Western Australia’s move to “New Courses” in 2012 represents part of the broader postgraduatisation of the Australian Higher Education sector. Under the new model undergraduate offerings will be limited to five generalist degrees, with professional disciplines such as law, engineering, medicine, dentistry, podiatry and architecture being taught at the postgraduate level.

Unlike the lack of student consultation that preceded the Melbourne Model, student representatives have been central to the changes occurring at UWA. From its inception as a “Review of Course Structures” in 2006, the UWA Student Guild has had decision-making roles on review boards and steering groups. As a result, equity and welfare concerns have taken high priority in reformulating the University’s structure.
Postgraduatisation is a double edged sword, offering improved pedagogy and equality of access, while posing equity challenges arising from complex income support and course funding arrangements, and increased study duration.

In its 2006 Final Report on the “Melbourne Model” the Australian Law Students’ Association identified three advantages to offering professional degrees at the postgraduate level:¹

- First, it allows for the introduction of a more equitable selection process.
- Secondly, it encourages students who have made an informed choice as to whether graduate study in a professional discipline is appropriate or desirable.
- Thirdly, it is likely to consist of a higher quality of students entering professional degrees, in terms of experience and motivation.

We would like to add a fourth, being that postgraduate qualifications for professional disciplines are more consistent with international higher education frameworks,² providing greater mobility for graduates,³ which in turn brings greater exposure for Australian Universities in times of increasing globalisation.

UWA has struggled with diversity, with the highest proportion of school leavers in its undergraduate cohorts than any other Australian University.⁴ Further, these school leavers are already drawn predominantly from a small pool of top private schools.⁵

accessed: 27 November 2011
accessed: 27 November 2011
⁴ The University of Western Australia, UWA in Brief 2003, 2003
⁵ Andrew Trounson ‘UWA drops mature-age entry requirements’ The Australian, June 19, 2008
This is unsurprising in an ATAR system. Empirical studies have established the school sector’s substantial impact on tertiary entrance performance,6 whereby the Tertiary Entrance Scores of non-Government school students are artificially inflated relative to their raw abilities. This artificial inflation of entrance results amongst Independent school students in particular has resulted in almost twice the rate of school leaver tertiary admission relative to students from Government schools.7

This Independent school advantage however has lesser impact on academic performance once the student is at University. Instead empirical data suggests that, at University, students from government schools outperform both Independent and Catholic schools, once adjustments are made for ATAR.8

By removing admission requirements from the bias inherent in the school system, and instead basing them on tertiary results, the UWA New Courses Model has been built around greater equity of access to postgraduate courses. It envisaged that this emphasis will not only increase the participation of low SES and disadvantaged background students in the professions, but develop the skills of the most academically gifted, irrespective of background, enabling the University to reach its goal of being among the world’s top 50 universities by 2050.

This greater emphasis on opportunity is also recognised in UWA’s growing tradition of equitable access pathways has expanded its equity, access and social outreach programs with the introduction of Fairway and Broadway.9 These new initiatives are in addition to existing programs including the Aspire program, the UWA Excellence Awards, UWay, CountryWay, the Mature-Age Access Program, provisional entry schemes through Access UWA, and the WA Curriculum Council sickness and misadventure process.

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9 Fairway is a support and access program for low SES students, in part comprising of lower ATAR thresholds, See http://www.transition.uwa.edu.au/welcome/fairway accessed: 15 December 2011. Broadway is an access program for students from identified schools, comprising of lower ATAR thresholds. Schools are identified through Index of Community Socio-educational Advantage (ICSEA) scores, percentages of student population residing in low socio-economic postcodes, and/or the Rural, Remote and Metropolitan Areas (RRMA) index. See http://www.studyat.uwa.edu.au/undergraduate/admission/alternative-entry/broadway
To reach the current position emphasising equality of access both at the undergraduate and postgraduate level required meticulous planning, consideration and preparation on the behalf of the University and the Guild of Undergraduates at each stage of development.

**Context | Debt, Participation and Community Implications**

The Guild is concerned by any trend away from public funding for our universities. This is especially the case where it impacts on a student’s ability to access higher education, which is jeopardised by any move towards full-fee paying places and away from Commonwealth-supported places. It was only on the basis of reallocation that full Commonwealth support was garnered for UWA’s postgraduate shift that it received Guild cooperation and came to fruition.

Under UWA’s New Courses students enter the graduate program fresh from an undergraduate degree. Most of these students, having spent their previous three or four years studying full time are very unlikely to have accumulated any savings and indeed are likely to have an accumulated HECS debt.

The first equity barrier imposed by full-fee places is that FEE-HELP, the full-fee loan scheme is will only provide a loan of $89,706 or $112,134 depending on the area of study.\(^{10}\) This does not cover the total cost of many full-fee postgraduate by coursework degrees, such as the University of Melbourne’s Juris Doctor,\(^ {11}\) with students faced with paying an increased proportion of course fees upfront as fee increases eclipse inflation.\(^ {12}\) Students otherwise faced with the prospect of being unable to finish the degree because of financial difficulty have relied on additional loans from the University.\(^ {13}\) These loans must be repaid within two years of course completion, meaning repayments are made simultaneously to HECS and FEE-HELP repayments. Alongside falling starting salaries for law

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graduates, this relegates full-fee students that aren’t from wealthy backgrounds to a demographic akin the “working poor” of the United States.

Even if FEE-HELP loans were indexed to cover the full tuition cost of all full fee postgraduate by coursework places, this alone does not address equity of access implications for low SES students. Surveys conducted in the United Kingdom have shown that different socio-economic groups have different attitudes towards debt. Debt aversion was strongest amongst disadvantaged groups. This is of concern when considered in light other findings in the survey, namely that of those who decided not to attend university 72% stated that they wanted or needed a job and 61% did not want to build up debt. Thus, merely making the education ‘free’ at the point of entry is in itself insufficient to ensure a diversified social mix.

If we accept that different groups do respond differently to taking on large amounts of debt, this will have significant implications on the recruitment and retention of students, particular from under-represented groups. Even where the loan is paid through a progressive income contingent repayment option, if individuals hold fundamental reservations towards debt generally a full fee system backed by loans will still have implications for equity.

The matter has also been tackled domestically by Department of Education, Training and Youth Affairs, in a 1999 report which found that working class, regional and mature age students declined in their level of participation during the 1990s. This period coincided with the original introduction of the Higher Education Contribution Scheme.

Full-fee places can have ramifications for gender equity. Women generally take longer to repay their debts, as their average earnings tend to be lower than their male counterparts. The Australian Bureau of Statistics surveyed the average weekly earnings of male and female graduates over a 10-year period and found that women were consistently paid less than

15 Claire Callender, Attitudes to debt: School leavers and further education students’ attitudes to debt and their impact on participation in higher education, Universities UK, 2002 http://www.universitiesuk.ac.uk/Publications/Documents/studentdebt.pdf accessed: 27 November 2011
men. This is also true of the most recent figures from Graduate Careers Australia, where recent female graduates in Dentistry, Law and Medicine can expect to earn less than recent male graduates. Further, during their time in the work-force, women are more likely to take time out of the work-force or move to part-time work to manage raising young children or a family. With the prospect of being in debt over a long period of time, some women may be less inclined to take on debt.

All of these implications serve to develop a two tiered system, where well-off students can enter professional postgraduate degrees as full-fee students, whilst poorer students must to apply for Commonwealth Supported Places, which are already extremely competitive, or alternatively, to shoulder an enormous FEE-HELP debt on top of their debt from undergraduate studies.

For UWA, an institution where undergraduate students are already drawn predominantly from a small pool of top private schools, this only serves to exacerbate the problem of postgraduate studies being inaccessible and 'elitist'. Additionally, it may well further entrench the professions as the realm of the privileged. This is especially true as graduate salaries in professions such as law are falling, diminishing the serviceability of a debt incurred in the course of studying the UWA Juris Doctor on a full fee basis, and acting as a further disincentive for financially disadvantaged students.

For those that do choose to undertake professional study on a full-fee basis, their debt burden can have lasting implications. Studies have shown that students are traditionally bad at calculating the time it will take to pay off the debt incurred, often being overly optimistic about the time to discharge the loan. This increases the effect of the debt burden on graduates, making them unlikely or unable to work in lower paying jobs, such as the public sector, rural areas and community or not for profit

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18 Australian Bureau of Statistics, Education and Training Indicators, Australia, 2002 (Reissue), 2007, Cat No 4230.0, p82
http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4230.0Main%20Features/198.0
19 Graduate Careers Australia, Graduate Salaries 2010, 2010, p15
accessed: 27 November 2011
20 Ibid, n17.
21 See eg Zoe Lyon ‘Lawyers becoming more privileged, but dumber’ Lawyers Weekly 3 March 2009
accessed: 27 November 2011
23 BBC News, “Students ’misunderstanding debt’”, 19 October 2004,
organisations. This is in the face of the increasing shortage of professional services in rural areas, the public health system, and community organisations.

**Allocations | Principles**

Through careful observation of the developments in various major reviews including Nelson, Bradley, Lomax-Smith and consistent cooperation and consultation with The University, the UWA Student Guild has come to prioritise some key principles.

The Guild agrees that tertiary study is a mixed public and private good, and such requires investment of public as well as private funds. References to a Government ‘subsidy’ of higher education represent a misnomer. Instead speaking of a Government ‘investment’ or ‘contribution’ is more consistent with the public benefit attaching to higher education.

The chronic underfunding of universities acknowledged in the Lomax-Smith report in combination with mass-education priorities have been conducive to falling teaching and learning outcomes, including staff to student ratios. To this extent the Guild prefers that options provide the opportunity for policy to refocus on quality and curricula.

The steady shift from public to private funding of Australian universities over two or three decades has seen our students bear a much greater proportion of the costs than their counterparts in most other OECD countries. The Guild strongly believes that the HECS deferred payment system and other income contingent loans are necessary components in any system heavily reliant on private funding if some semblance of equitable access is to be maintained.

The Guild also strongly feels that participation and social inclusion are equally, if not more, important in the professions in which underrepresentation of certain demographics is acute. When these courses are taught at an undergraduate level they typically have highly competitive entry requirements, excluding low SES student due to the Independent school bias. Postgraduatisation of these courses evens the

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playing field and enables greater participation. However, by limiting Commonwealth Supported Places and exposing students to high upfront personal costs this accessibility is lost. The Guild strongly feels that restructures based on equity of access rationales encouraging greater participation from underrepresented groups should not be penalised.

Upfront fees should not be applicable to those postgraduate coursework programs required for entry to a profession. The HECS-HELP and/or FEE-HELP systems are necessary antecedents of private contribution, and these or suitable loan schemes must be available to the full cost of the qualification. This is of increasing importance in a demand-driven system.

The current piecemeal arrangements for negotiating Commonwealth support for postgraduate coursework programmes fails to deliver the certainty required for long term planning, especially where a demand-driven system for postgraduate places is unlikely. Instead, clear policy based on published criteria is needed to provide consistency. A mission-based compacts system, as advocated by The University, is consistent with this aim while providing flexibility to address institutional idiosyncrasies.

Our analysis of the four options presented in the Consultation Paper will be subject to these underlying concerns.

**Allocations | Option 1**

The University strongly supports the mission-based compacts system for negotiating meaningful Compacts and Funding Agreement outcomes sensitive to institutional circumstances. The Guild agrees that mission-based compacts represent the best option for pursuit of student learning objectives given the breakdown of performance funding, and is advantageous. Option 1 in turn gives purpose to the mission-based compacts system in postgraduate coursework programs.

Option 1 also provides an opportunity to improve equity of access and participation of low SES and underrepresented demographics. While we acknowledge the difficulty defining a “profession” as raised in the Consultation paper, this alone does not outweigh the value of ensuring accessibility for low SES students. Instead it is a reason for redefining the criteria. We suggest additional criteria focusing on the participation implications of Commonwealth support not being granted. From a low SES
perspective, the equity implications of not granting support is greater for courses where it is anticipated that students commence immediately following their first degree than for courses where it is anticipated that students commence following a period in the workforce. Equity implications are also particularly great for courses that already have very low participation from underrepresented groups.

**Allocations | Option 2**

A minimum guaranteed level of Commonwealth supported postgraduate places at each university would encourage institutions to develop their postgraduate coursework offerings. In many cases such an incentive may be desirable, but it is unlikely to be desirable at all institutions. Further, with the Government’s 40% objective relating to undergraduate places, it seems counterproductive to guarantee an entitlement that may distract institutions from stated Governmental Higher Education policy objectives.

As previously stated, we feel the mission-based compactus is the best method of building Governmental objectives into internal processes. Ad hoc allocation may lead to situations where additional postgraduate load is counter to an institution’s Mission but is financially desirable. It is preferable for any institutional entitlement to postgraduate places to be driven by clear policy principles.

**Allocations | Option 3**

If any postgraduatisation is negotiated independently with each university within their funding envelope the inevitable result is reduction in the overall number of undergraduate places at that university. This seems counterintuitive when to achieve its policy aims this Government mandates increased undergraduate enrolments.

Additionally, in a demand-driven funding environment this would cap the overall places at any university opting to restructure, placing it at a disadvantage to its uncapped competitors. These force universities to choose between the improved pedagogy and access to professional courses inherent in postgraduatisation and financial considerations brought about by increased competitive pressures. We feel it is unlikely that education and equity will prevail over pragmatic business acumen. It would also serve to undermine the natural adjustments required for demand-driven funding to be effective as a funding strategy.
Allocations | Option 4

If this option, a Government guarantee to fund all Commonwealth supported postgraduate student places, were to be seriously considered lengthy discussion would be needed on the political, financial and practical obstacles to implementation. Additionally, there are questions whether allocation without reference to Governmental priorities, industry needs, participation or teaching ramifications would be wise. While we by no means discourage an increased commitment to funding postgraduate coursework places, we feel any increase needs to be in reference to identifiable criteria and due consideration to the participation and teaching ramifications. This option provides insufficient detail on both.

Conclusion | Preferences on Allocation Options

We commenced this paper impressing the need for allocation decisions to be made by reference to the Government’s overarching policy agenda. We feel that mission-based compacts are well suited to aligning the objectives of individual institutions with the need of the sector as a whole, and provide the best possible avenue for addressing our equity and quality concerns.

Option 1 integrates postgraduate coursework funding into the broader direction of each institution, ensuring cohesion with the Government’s broader policy agenda, and allowing integration with a broader higher education system. It also does so without undermining the demand-driven systems for undergraduate places, unlike Option 3, and while maintaining scope for the diversity necessary for the sector to be internationally competitive, unlike Option 2.

In light of Option 4 being financially infeasible, Option 1 is the best placed to provide structure and certainty for institutions without compromising on Government goals for the sector.