



THE UNIVERSITY OF
MELBOURNE



Submission in Response to Consultation Paper on Sub-bachelor Courses

13 October, 2017

Executive Summary

The University of Melbourne welcomes the opportunity to respond to the Government's Consultation Paper on the proposed changes to Commonwealth supported places for sub-bachelor courses. The University supports the extension of the demand-driven system (DDS) to sub-bachelor places. Indeed, the University's submission in July 2016 to the consultation on *Driving Innovation, Fairness and Excellence in Australian Higher education* recommended the following:

Reshape the demand driven system to support quality graduate outcomes and alignment with employment needs and institutional mission. Such reshaping should incorporate the inclusion of postgraduate coursework and sub-bachelor degrees, thereby recognising the importance of diversity within higher education delivery, and a renewed focus on flexibility within institutional funding agreements.

An integrated tertiary education system, where any qualified student can gain access to an appropriate higher education or vocation education place, should be a long-term goal for Australian post-secondary education.

The University of Melbourne supports the continuation of demand-driven funding, albeit with modifications and with the adoption of a systems approach to reform across the continuum and levels of study rather than in a piecemeal, siloed way. One option might include offering universities a total funding envelope wherein an institution could decide the mix of Commonwealth supported sub-bachelor, bachelor and postgraduate places. Reshaping the demand driven system in this way would be a long-term policy reform managed in a fiscally sustainable way.

However, in the current consultation on sub-bachelor places we oppose the proposed definitions and criteria that would potentially prohibit Diplomas of Language from being eligible for CSPs.

While the new eligibility requirements for sub-bachelor courses and students appear to have been designed with a view to regulating the provision of courses that serve as pathways to Bachelor level study, these requirements affect language diplomas that do not (primarily) act as a pathway nor 'fully articulate' into a bachelor degree. Indeed, Diplomas of Language are typically studied concurrently with a bachelor degree. It appears that policy measures to address one area—that is, pathways diplomas— will inadvertently affect a curriculum area with quite different, and very important, educational objectives.

As we understand it, the changes will potentially render many or all students who enrol in a language diploma at the University of Melbourne ineligible for a CSP. This will significantly reduce demand for language study at Melbourne and across the sector. It will result in a diminished language skills profile in the Australian workforce at a time when language proficiency is a valuable labour market skill for graduates seeking work in international settings or in businesses that are internationally engaged. This includes banking and finance, legal services, mining and construction, engineering, IT and the telco sectors, to name a few. It will also reduce the capacity of universities to staff language departments and to maintain teaching capacity in a range of languages.

In addition, the University of Melbourne is concerned by the seeming focus on sub-bachelor qualifications as primarily a pathway to bachelor level study, when sub-bachelor courses are fundamentally important and valuable in their own right.

The University also has concerns about the potential impact on the vocational education and training sector, and concerns about the workability and administrative burden associated with the proposed application process.

In relation to timing, universities need an appropriate level of certainty to plan for 2018 and to advise students. The University of Melbourne has not been able confidently to advise students planning to enrol in 2018 in a Diploma of Language about the availability of a CSP place. Therefore, we support deferring the implementation of any change for 12 months. Currently enrolled students and those enrolling for 2018 should be grandfathered to ensure changes are not retrospective.

Summary of Recommendations

The University of Melbourne recommends:

1. That the demand-driven system be expanded to include sub-bachelor places.
2. That further consideration be given to modifying the demand driven system to allow greater flexibility for institutions to distribute CSPs across course levels: sub-bachelors, undergraduate and graduate.
3. That the new eligibility requirements for sub-bachelor CSPs be amended to ensure Diplomas of Language are eligible.
4. That greater consideration be given as to how the VET sector will be impacted by the move to demand-driven funding for sub-bachelor CSPs.
5. That the administrative burden associated with course approval be 'light' touch and consistent.
6. That the government defer the implementation of any changes for 12 months, and that the existing arrangements be grandfathered for those students enrolling in 2018.
7. The University of Melbourne recommends that consideration be given to establishing a Higher Education Taskforce or Commission to provide oversight of policy and reform, and strategic advice to government and policy makers across the education portfolio.

For further information or to discuss this submission Professor Richard James, Deputy Provost (Academic & International) can be contacted on (03) 8344 7627 or r.james@unimelb.edu.au.

1. Implications for language diplomas

The benefits of increasing foreign language literacy and capability for Australians are widely acknowledged. Growth in Asia in the coming decades entails considerable economic opportunities for Australia. Enhancing the level of bi-lingualism in Australia is critical to fully realising these opportunities. We know that employer demand for language skills will continue to grow. Beyond economic and employment outcomes, the benefits of more Australians learning a foreign language are well understood.

Language diplomas are a significant means by which Australia's universities contribute to improvements in foreign language skills. At the University of Melbourne, around 600 students are (on average) enrolled in a language diploma each year. Typically, these students are concurrently enrolled in a bachelor degree program, and in some cases in a masters coursework program, undertaking language study alongside a larger program consisting of other disciplines.

Enrolments trends at the University of Melbourne indicate that language diplomas are making the intended economy-wide contribution to language skills. Historically, a large share of language diploma students have been concurrently enrolled in a Bachelor of Arts. We are now seeing a more even distribution across other disciplines. Between 2009 and 2017, the proportion of language diploma students who were concurrently enrolled in a Bachelor of Science increased from 6 per cent to 25 per cent. The proportion concurrently enrolled in a Bachelor of Commerce increased from 9 per cent to 18 per cent over the same period. The distribution of diploma enrolments is increasingly responsive to the need to build foreign language capacity across all professional areas.

Sub-bachelor reforms and language diplomas

The University of Melbourne has serious concerns that, as proposed, the changes to sub-bachelor Commonwealth Supported Places (CSPs) would adversely affect the delivery of language diplomas at universities, with students in these diplomas rendered ineligible for a CSP.

The sub-bachelor reforms appear to have been designed with a view to regulating the provision of CSPs in programs that serve as pathways into bachelor degrees. This is clear from eligibility requirements for both courses and students set out in the Consultation Paper (pp.2-3).

To be eligible, a course must:

- (a) fully articulate into a related bachelor degree program; and
- (b) meet the current industry skills needs or identified future skills needs.

To be eligible, a student must:

- (c) *not* have already completed a higher education qualification (unless it is an enabling course).

The policy aim is to ensure that sub-bachelor pathway programs perform their intended function of either preparing students for a full bachelor degree, or providing those students who do not continue further with an exit qualification that has value in the labour market. It aims to improve undergraduate attrition rates and also job-readiness of graduates. We have no concern with these objectives.

Importantly, however, diploma programs that are *not* primarily intended or used as bachelor pathways, such as language diplomas, are affected by the new eligibility requirements. The impact is that language diplomas could be made ineligible for CSPs in many or all cases.

Given the recognised importance of bi-lingualism to employability for graduates and the nation's economic performance, there is a clear case for viewing language diplomas as satisfying '(b)', i.e. the requirement that a course meet industry skills needs.

Even so, it appears that requirements '(a)' and '(c)' will render many language diploma students ineligible for a CSP. As noted, students who are enrolled in a language diploma are typically either concurrently enrolled in a bachelor degree or post-graduate degree. Indeed, at the University of Melbourne, this is a requirement of admission. Consequently, language diplomas – or the students enrolled in them – apparently will not satisfy the eligibility requirements:

- most language diplomas do not articulate into the second year of a bachelor degree, and therefore fail to satisfy '(a)'.
- many language diploma students have already completed a higher education qualification, and therefore fail to satisfy '(c)'.

It is possible to interpret requirement '(a)' more broadly, so as to allow language diplomas to satisfy it, although the 'additional guidance' included in the Consultation Paper along with the attached Application form for sub-bachelor courses discourage this broader interpretation.

The bigger question, however, is why language diplomas should in any case be captured in an application process for sub-bachelor CSPs. Given the acknowledged value of this study option, requiring universities to apply to have these courses deemed CSP-eligible would be an additional administrative burden for both providers and the Department and it would fail to deliver any additional benefit.

It should be noted that the proposed changes present a similar set of issues for diploma courses in other key areas e.g. mathematics. Like language diplomas, these are often undertaken concurrently with a bachelor or masters program, and therefore could also be ineligible under the new requirements for CSPs.

Potential impact

If implemented as proposed, the sub-bachelor reforms are likely to result in fewer Australian students undertaking the study of a foreign language. For many students, a language diploma is the only way in which they can study a foreign language. The significantly higher fees involved in taking up a full fee-paying place will be prohibitive for many students.

As well as directly impacting the skills profile of Australia's workforce, a fall in demand for language diplomas poses a threat to the viability of some language programs at Australia's universities. Universities will need to review their capacity to continue deliver these programs if fewer students are enrolling in them. There is no easy way to re-build any capacity lost through program closures.

It should also be noted that CSPs for language study remain available for domestic students undertaking that study as an integral part of a bachelor degree, say an Arts degree. Given this, there is a danger that the proposed arrangements will result in some language students opting to enrol in a second bachelor degree rather than a language diploma in order to access a CSP. In this sense, the changes may have the exact opposite effect than that intended, resulting in student decisions being again skewed by a funding bias towards bachelor-level study.

2. Impact on the VET Sector

The uncapping of sub-bachelor places for Table A providers has the potential to impact the vocational education and training sector. The proportion of school-leavers who enrol in a VET qualification has significantly fallen in the past decade, in large part due to the introduction of demand driven funding for bachelor-level places. The proposed move to demand driven funding for sub-bachelor courses will place further pressure on VET providers. Inevitably, universities will look to grow their sub-bachelor student load, perhaps by moving into the provision of study areas traditionally delivered in the VET sector. This would only hollow out the market for TAFE providers.

A further diminished VET sector undermines the overall strength of the post-secondary skills system. This consequence, perhaps unintended, should be adequately assessed and managed in implementing changes for the provision of sub-bachelor CSP places. It further suggests the need to conceive the provision of post-secondary education systemically and holistically, since changes in one area have impacts elsewhere in the education system.

3. Administrative burden of application process

The application process outlined in the Consultation Paper suggests that additional administrative effort will be required on the part of both universities and the Department to secure approval of demand-driven CSPs for sub-bachelor courses. It is not clear how extensive universities' applications will need to be to demonstrate, for example, that a given course addresses skills shortages or future skills needs, or what sort of evidence will be accepted. There are also questions relating to any appeals process, and to the role of TEQSA in approving or reviewing course eligibility.

4. Timing

The Consultation Paper re-states the Government's commitment to implement the new sub-bachelor arrangements by 1 January 2018. It is not feasible for sub-bachelor courses to be approved by early November 2017 to allow for a 2018 implementation. The release of the Consultation Paper itself implies that the eligibility settings and the application process are not yet finalised and, in any case, the Senate is yet to approve the proposed reforms. The only available course is to delay the implementation of any changes until 2019.

5. Higher Education Taskforce or Commission

The issues with the current policy settings and, with a number of the proposed changes in the Government's reform package, point to the need for an expert body to oversee policy and reform, and to provide strategic advice to government. This would include advice on long-term planning, resource allocation and regulation of the sector, based on industry expertise and a long-term policy focus. Establishing a Higher Education Commission would encourage a holistic or system-wide approach to policy and funding, ensuring that reforms act in support of all parts of Australia's tertiary education system.