



Swinburne University of Technology

Response to the New Managed Growth Funding Implementation Consultation Paper

Swinburne University of Technology (Swinburne) welcomes the opportunity to respond to the New Managed Growth Funding Implementation Consultation Paper.

Our sector needs to be stronger, future-focused, resilient, and responsive to both national needs and global disruptions. The Government's initial response in the 2024-25 Commonwealth Budget is a positive first step for this once-in-a-generation opportunity to improve the sector.

The Universities Accord process has outlined the imperative for universities to innovate and evolve in type, diversity, size and number over the coming decades. This is required if we are to reach the Accord's ambitious target of 80 per cent of working-aged people with a tertiary qualification by 2050.

All too often, new policy ideas divide the higher education sector, there are always winners and losers due to the varied differences between our universities across the country. Swinburne believes that the best way to foster collaboration across the sector is to find unifying principles, examples could include - student-centred choice through co-design and long-term sustainability of the higher education sector through an agreed transition framework to new funding models.

The Universities Accord Final Report recommends a new funding model to be planned and managed by the new Australian Tertiary Education Commission (ATEC). It conveys that the implementation and transition should include a staged and managed approach. Swinburne acknowledges the need for a review into existing funding for domestic students and supports the staging of any substantial shift in funding arrangements between the Australian Government and universities.

Swinburne provides educational opportunities to over 65,000 students in Australia and overseas (20,000 undertaking vocational qualification), this includes on-campus in Melbourne to 29,000 students and to 26,000 students undertaking online studies across Australia. Our key concern arising from the Consultation Paper is the strong emphasis that future funding will be linked to catchments and the location of a university's campuses. If implemented, this policy will risk the financial sustainability of universities like ours, imposing a penalty for supporting a large amount of equity students online.

Our second concern is that if implemented as outlined in the Consultation Paper, the Government risks repeating the mistakes of the past. All future policies should be focused on student choice, rather than pushing students to specific qualifications and incentivising regional study. Previous policies such as Job Ready Graduates (JRG) have already failed in a similar way. Swinburne delivers student-centered education and believes that student choice must be a fundamental principle in the development of any new funding model.

Swinburne commends the Government for putting under-represented groups at the heart of the response to the Accord, but true transformation can only occur if we work together to achieve a significant uplift in tertiary participation. Swinburne is supportive of several of the recommendations made by Universities Australia (UA), many of which are included below.

Swinburne's position:

1. Further consultation be undertaken through the Accord Implementation Advisory Committee on a staged approach to the implementation and transition to a new managed growth funding model. It will provide stability to universities who are experiencing financial difficulties from the abrupt changes to the processing of visas for international students.
2. That the Government outline their long-term intentions on the future of the JRG package and commit to undertaking a detailed analysis on the impact of the scheme and options to winding back some or all of the adverse consequences from the package.
3. The concept of a 'catchment area' be reviewed, if the Government believes the concept should play a significant role, it should release for consultation a properly developed proposal defining the term and outlining its proposed use.
4. Acknowledge in the new funding model that students undertake multiple forms of study on-campus, online and at times a hybrid of both. Determining funding based on the location of a university's campuses is not a realistic reflection of actual demand and will add unnecessary barriers.
5. That student choice be paramount and a fundamental principal underpinning implementation of any new funding policy.
6. Further consultation is undertaken with the sector on the appropriate actions taken when university domestic enrolments are above the new managed growth target.

Swinburne's offer:

Swinburne is acutely aware how easy it is to criticise new ideas. Swinburne's approach to consultation is to work with governments and relevant departments and offer a way to assist for a better understanding on the cost of their policy concepts. Swinburne is eager, and stands ready to:

1. Support the ATEC in its important work, by co-creating the legislation that will define its scope and status
2. Assist in determining the sequencing and transition of policies that is consistent with the Government's stated aims and allow for swift, deliverable and palatable wins for students and the sector more broadly.
3. Work together to design and showcase pilot educational programs exploring Innovative solutions while learning from the mistakes of the past.

Our position, further explained

Student Growth Plan for a sustainable higher education sector

As referenced in UA's response, the Managed Growth Funding Implementation Consultation Paper does not sufficiently articulate how the sector should grow to meet Australia's future skills needs. Significant elements of the proposals are about reducing university funding allocations with little discussion on what this might mean for ensuring that all students are able to access a quality university education. Any reduction in overall funding will result in a decrease in student participation, making the target of 80 per cent of working-aged people having a tertiary qualification unattainable by 2050.

Swinburne supports UA's recommendation that a medium-term growth plan is required outlining the strategy on the growth of student places and intended re-distribution. Through this plan universities will be

given certainty and manage their operations for a sustainable future.

Swinburne acknowledges universities need to work with the Government on a more managed system for domestic students. All universities in Australia experience variability in final student load arising from uncertainty in offer/acceptance processes and the impact of economic circumstances on student study loads. We support UA's recommendation that a future funding system must allow for flexibility resulting from universities unintentionally enrolling above their student limit/ cap.

Consideration be extended to all types of study

While a majority of students (in particular school-leavers) undertake their studies on-campus, many make other arrangements including online or hybrid learning due to their unique circumstances. For Swinburne, we have an established partnership with Online Education Services (OES) supporting students with online studies across Australia. A large number of these students have no other option than to study online. Notably, many of our online students are mature aged women who are working full-time, are mid-career or intending to return to work after raising a child. Another notable group are those with a disability who require specialised support. It is unclear in the Consultation Paper that consideration has been extended to alternative learning avenues.

In addition, to increase revenue, numerous regional based universities have established satellite campuses or sites in multiple metropolitan areas, this must be taken into account in any future funding model. In recent years some metropolitan universities have exited regional areas deciding not to compete with regional Universities who have an established presence in the community.

Swinburne urges the Government to review the proposed 'catchment areas' policy. This method is not a true reflection of the student profile for each university. It would be difficult for the definition to capture the realities of current higher education delivery (especially online delivery), the impact of transportation systems on the accessibility of different universities and the vast distances students have to cover in travelling to university.

Student choice should be a fundamental principal in future funding model

The Managed Growth Funding Implementation Consultation Paper implies that a significant degree of central control will be exercised over the sector and assumes an ability to influence student choices and predict student behaviour. As outlined previously, the JRG package has proven that this approach to attempt to shift student behavior does not work. Swinburne's strong view is that the student must be at the centre of any future funding model considerations and as part of that, student choice be made a fundamental principal.

JRG, while seeming to be student-centric at first glance, created a perverse incentive that some universities took advantage of - by offering cluster 1 programs to a much larger number of domestic students, in the opposite direction to what the Government wanted to achieve by the policy. Student behaviour was unchanged by the policy, while those institutions with smaller cluster 1 programs have endured with the adverse consequences.

Student choice is critical to meeting the Accord's target of 80 per cent of working-aged people with a tertiary qualification by 2050. The failed JRG experiment proved that students are more likely to study and train when they are pursuing their aspirations and passions. Any funding model must be capable of responding to changes in student behaviours and profiles.