



Council of Australian Postgraduate Associations (CAPA)

The Higher Education Base Funding Review

Consultation Paper Response

April 2011

Compiled with the assistance of the staff and office bearers of the Council of Australian Postgraduate Associations (CAPA) and its affiliated member organisations. The Council of Australian Postgraduate Associations (CAPA) is the national representative body for Australia's 300,000+ postgraduate students.

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About CAPA

Founded in 1979, The Council of Australian Postgraduate Associations (CAPA) is a membership based non-profit organisation. CAPA's main role is in protecting and promoting the interests and needs of Australia's 300,000+ postgraduate students.

At CAPA's 2010 Annual Council Meeting, postgraduate representatives from across Australia engaged in a lengthy discussion to revise existing CAPA policy on the funding of higher education. We ultimately ratified the following policy principles, which have fundamentally shaped the recommendations in this submission:

- *Access to higher education in Australia is an inalienable right.*
- *A high level of participation in higher education is of both public and private benefit. Such benefits may include but are not restricted to better health outcomes, higher income levels, higher levels of interpersonal trust, and higher productivity levels across society.*
- *Base public funding should at least match private contributions to higher education.*
- *Every postgraduate course of study should include some publicly-funded places.*
- *The cost of postgraduate education should reflect the real cost of course delivery. The higher capacity to earn in some fields should be addressed through a taxation system rather than through higher course fees.*
- *When setting fees, the capacity to pay should be balanced against the societal and individual consequences of carriage of debt after graduation.*
- *Direct fees are not the only cost of higher education incurred by graduate students. Private contributions may include but are not restricted to foregone income, personal research expenses, and childcare costs.*

Summary of Recommendations

- Recommendation 1** That the Government immediately follow through on the Bradley Review's recommendation for a 10% increase in base funding.
- Recommendation 2** That price differentiation based on potential future earnings are abandoned, and that all courses are funded on the basis of full cost of delivery, appropriately indexed.
- Recommendation 3** That there be no immediate increase in student contributions.
- Recommendation 4** That all student contributions to Commonwealth Supported Places (CSPs) are capped at a maximum student contribution of 50 per cent.
- Recommendation 5** That caps on up-front student fees remain, and articulate to the real cost of delivery as per Recommendation 2.
- Recommendation 6** That every course include some Commonwealth Supported Places (CSPs), which are offered on the basis of means testing as well as merit.
- Recommendation 7** That postgraduate courses be funded at a higher rate than undergraduate courses as is appropriate to more expensive teaching and assessment models. Quality must be closely monitored by TEQSA.
- Recommendation 8** That all consideration of student contributions be weighed carefully against the opportunity costs and ancillary expenses of undertaking higher education, noting cohort differences between undergraduate and postgraduate students.
- Recommendation 9** That base funding account for capital costs to address infrastructure strain that comes with increased student numbers.

Overview

In 1983 the Federal Government provided 90 per cent of the total funding to higher education in Australia. By 1993 the Government's proportion had fallen to only 64 per cent, and in 2011 it's a mere 43 per cent, well below the OECD average. The scope of the Base Funding Review refers to the 35.3 per cent provided through the Commonwealth Grant Scheme (consisting of both government and student contributions), and in the view of the Council of Australian Postgraduate Associations (CAPA), is rather limited by this scope, as it ignores capital costs and the ancillary costs of providing essential student support services.

Research by the OECD clearly establishes positive links between national well-being and higher levels of participation in higher education (OECD 2001, 2010). That is, the social, cultural and economic benefits to all members of a more highly educated society cannot be denied. While those who participate in higher education will have access to higher incomes and better health outcomes, all members of a highly educated society are more likely to benefit from higher levels of interpersonal trust and greater opportunities for a fully participatory democracy.

Knowledge is almost a pure public good, as the economist Joseph Stiglitz pointed out. Once released into the world it is available to all. Thus basic research everywhere is government funded. It is also a global public good. The mathematical theorem retains its valuable all over the world no matter how many times it is used. (Marginson 2011)

The Base Funding Review's initial Consultation Paper and process has echoed the higher education reforms presented in the 2009 Budget, which “stated the purpose as enabling Australia to participate fully in, and benefit from, the global knowledge economy.” All of this is laudable so long as we have a shared understanding of what is meant by 'knowledge economy'. In a knowledge economy, human capital is highly valued, as people are the keepers of knowledge, and we are the connectors in an economy that is globalised and fluid. A knowledge economy should create critical, engaged, cosmopolitan citizens. It should value fairness and civility. If it is truly a knowledge economy, it must surely promote greater levels of participation in higher education as knowledge begets knowledge.

While there are reasonable arguments for requiring some level of student contributions in a rapidly expanding higher education system – the most compelling being that one should contribute to a degree that virtually assures one a private benefit in the form of higher salary – there are equally compelling arguments to cap student fees and maintain and increase public investment to ensure the broadest possible participation in a burgeoning knowledge economy. Submitting higher education to the vagaries of the free market has resulted in an obfuscation of the actual costs of delivery, much as subsidies in agriculture have obscured the real cost of food production.

Forcing universities to compete for students because they are reliant on student fees to survive in the face of dwindling public investment distracts the entire sector from its 'core business' of providing education and diverts a significant proportion of already lean budgets and staff attention to marketing exercises. It also creates a hitherto unknown context for education whereby the 'most competitive' courses survive – those most focused on clear vocational outcomes, rather than the production of new knowledge and future generations of critical thinkers.

Competition is always better at creating private goods than public goods. Advocates of equity in higher education spend too much energy trying to create fair competition, which is impossible. It is the competitive order itself that should be tackled, particularly the way status differentials in higher education, feeding the continuous jousting, undermine the commons. (Marginson 2011)

Context

In 2009, Australia had 813,896 domestic higher education students enrolled in higher education institutions, 197,619 (24 per cent) of whom were domestic postgraduate students. If international students are included, postgraduates make up 27 per cent of the total higher education student population, and although international students only make up 28.3 per cent of the total student population, they are 36 per cent of the postgraduate student population.

As the Consultation Paper for the Higher Education Base Funding Review highlighted, Australia is not performing very well in achieving equity and access amongst disadvantaged segments of the population, with low SES, regional and remote, and indigenous students all significantly under-represented (Australian Government 2010).

As Australia approaches 2012, the first year of uncapped undergraduate numbers, it is essential that the Government follow through immediately on the remainder of funding recommended in the Bradley Review to 'increase the base funding for teaching and learning in higher education by 10 per cent from 2010' (2008).

Recommendation 1 ***That the Government immediately follow through on the Bradley Review's recommendation for a 10% increase in base funding.***

Education as Global Public Good

According to the OECD, 'Educational attainment is positively associated with self-reported health, political interest and interpersonal trust' (2009). The benefits to society as a whole of improved health of individual citizens are well understood – overall decreases in the cost of health care provision frees public funding up to be directed towards other national priorities, such as education. A continued underinvestment in education is likely to lead to higher national health costs, ergo making less funding available for education, in a vicious cycle where attempts to treat the problem must be curative rather than preventative.

Interpersonal trust is perhaps less well understood, though no less important. High levels of interpersonal trust are apparent in societies with strong social cohesion, and have a causative relationship with lower crime rates. Cosmopolitan societies (as opposed to 'multicultural', which may or may not indicate a society where people are 'open to and engaged with cultural others (Beck 2002)) rely on high levels of interpersonal trust, and generally include a significant proportion of highly educated people. This segment of the population (cosmopolitan, educated) are also more likely to be concerned about environmental issues and acting positively to minimise their individual impact on the environment (Schueth & O'Loughlin 2007).



Marginal effects of education on interpersonal trust

Increase in the probability in percentage, 2006 or latest available year
[\(http://www.oecd-ilibrary.org/sites/factbook-2010-en/\)](http://www.oecd-ilibrary.org/sites/factbook-2010-en/)

As the challenge of climate change faces the world today, it is all the more important that we are educating a population to think critically, act positively, have trust in each other and in scientific consensus, and understand Australia's essential role in both national and global food security. This cannot be achieved without high levels of participation in a strong public education system.

The political process is essential to public goods. But an imperfect instrument for realizing them. It does not always recognize the collective benefits created in higher education, such as the dissemination of advanced scientific literacy. When such benefits are not embedded in active constituencies they remain invisible, undefended and underfunded. Moreover, in public political debate there is much confusion about the nature of public goods and the distinction between public and private goods. (Marginson 2011)



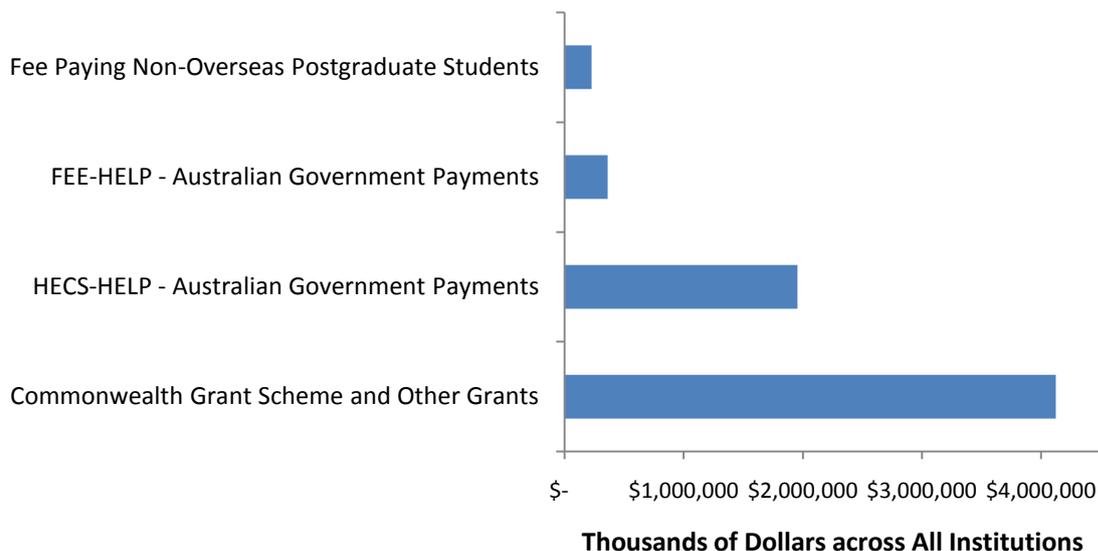
Marginal effects of education on political interest
 Increase in the probability in percentage, 2006 or latest available year
 (<http://www.oecd-ilibrary.org/sites/factbook-2010-en/>)

Finding the Appropriate Balance(s)

When HECS was introduced with the return of student fees for higher education in 1989 it was a flat rate regardless of discipline, with a stated intention not to charge students over 20 per cent of the full cost. Since 1997, there have been differential rates that have not necessarily been proportional to the real cost of delivery. The 2005 changes resulted in a 25 per cent increase to all student contributions with only a small increase in the government contribution (Australian Government 2010).

As the Consultation Paper itself points out, about 14.3 per cent of total university revenue now comes from student contributions, with approximately 4 per cent of that coming from domestic student fees, and 'given what a small percentage of university income it is, increasing individual burden on students any further seems unwarranted' (Australian Government 2010). That is, the minimal impact raising student fees would have on the significant and demonstrated funding needs of universities has a profound individual impact on students.

In one of its earliest submissions to the Federal Government, CAPA stated that it believed 'the reintroduction of tertiary fees will not raise sufficient revenue to justify the scheme' (CAPA 1981), and it seems CAPA was right 30 years ago, and that the heavy burden placed on individuals by levying fees (which have increased dramatically in that time) is incommensurate with the relatively minor financial benefit to universities.



The Consultation Paper also referred to the 'significant variations between universities in the level of income they receive from other sources. Some institutions are much more reliant on government funding than others' (Australian Government 2010). The requirement of universities to be competitive is impacting negatively on their capacity to focus on their core activities of teaching, learning and research, not only because of the resources diverted to marketing strategies, but also because students are increasingly framed as consumers, which is a fundamental philosophical shift away from the foundations of education as a public good.

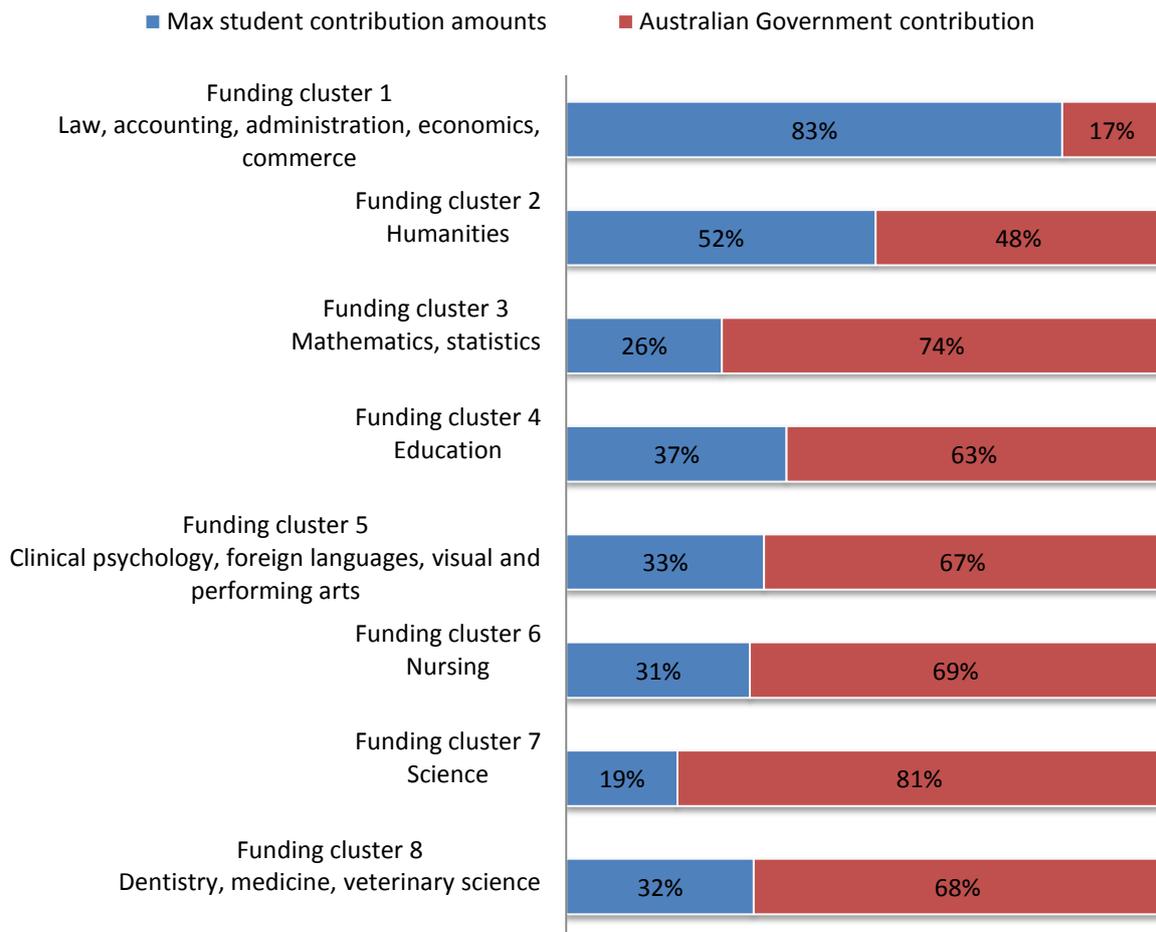
The Consultation Paper also highlighted the well-known fact that Australia has a low public spend on higher education (0.7 per cent GDP v 1.0 OECD average). 'In 2007, 44.3 per cent of the total expenditure on tertiary institutions in Australia was provided by public sources, compared to the OECD average of 68.9 per cent' (Australian Government 2010). It seems self evident from the trends of the past 22 years, which have resulted in decreased funding in real terms and climbing student: staff ratios, that public expenditure simply must increase.

Public v private contributions

If we accept that student fees are an inevitable consequence of 'massification' of higher education, whether through a deferred loan system such as HEC-HELP or up-front fees (with the option of FEE-HELP), then we must examine the current state of student contributions.

CSP students contribute anywhere from \$4,249 (Maths & Stats, Science) to \$8,859 (Law, Commerce, Medicine, Dentistry, etc). The Australian Government's contribution to those places is extremely variable – in Science the Government contributes \$18,474, and in Law a mere \$1,765. A student's contribution can vary from 19 per cent of the total resourcing to 83 percent. And yet none of these figures necessarily correlate to the actual cost of delivery.

One of the stated rationales for differentiating student contributions and overall resourcing envelopes by discipline has always been that those who complete degrees with the potential for the highest consequent incomes could reasonably be expected to pay more – high private benefit should not be provided at too high a public cost. However, it is flawed reasoning, and one which serves to maintain class privilege while attempting to be equitable. If only those who can already afford to pay continue to make up the student populations of Law, Commerce, Dentistry, and other similar disciplines, those without the capacity to pay will continue to be barred access to education most likely to lead to a means to a higher SES.



The appropriate mechanism to ensure equity of access and a fair private contribution for a

high private return is through Australia's extant progressive taxation system. Even students who do pay the high fees required for potential high earnings later may not always realise that income potential, and are therefore unfairly penalised by a system that requires up-front payment or repayment at the same rate as their colleagues who paid less for their degrees, but for much longer.

A further issue with charging more up front for degrees with demonstrated higher earning potential is the need for those who have paid such fees to recover them through personal earnings later in life. Dentistry and legal services are prohibitively expensive in Australia, and not well supported by public welfare schemes, leading to inequitable access to high-cost services. To highlight just one of many equity issues in access to these professions, the Australian Institute of Health and Welfare's recent report on dental health of Indigenous children in the Northern Territory found that 'the average waiting time between referral and the receipt of service among this group of children was 14.3 months' (AIHW 2011). In continuing a system where such qualifications are so prohibitively expensive, Australia is not only maintaining the class privilege of those who can afford to pay for the degrees, but access to the expensive services provided in those professions.

Recommendation 2 *That price differentiation based on potential future earnings are abandoned, and that all courses are funded on the basis of full cost of delivery, appropriately indexed.*

Debt aversion and equity

The Government has sought to ensure areas of national priority maintain enrolments by subsidising those places at a higher level. Given the clear research indicating that equity groups are more likely to be debt averse, this is surely good policy, and also signals the Government's acceptance of that research – that higher student contributions lead to less participation by disadvantaged members of society. Where disadvantaged students are able to attend university, an unequal system based on capacity to pay may once again restrict their choice of university.

As the majority of coursework postgraduate students pay fees already, this is to some extent already happening. CAPA compared three diverse universities' fees for a range of coursework postgraduate degrees and found significant differences in pricing. CAPA has also heard through its affiliates and from individuals who have sought advice directly of many students choosing which university to attend purely on the basis of the cost of the degree – rather than on the quality or suitability for their goals.

Universities UK found evidence that:

Prospective students with tolerant attitudes towards debt were one and a quarter times more likely to go to university than those who were debt averse, all other things being equal. Debt aversion deterred entry into HE [higher education] but was also a social class issue. The most anti-debt are the focus of widening participation policies and include:

- *those from the lowest social classes;*
- *lone parents;*
- *Muslims, especially Pakistanis; and*
- *black and minority ethnic groups.*

The least anti-debt were:

- *attending independent schools;*
- *from the highest social classes; and*
- *men.*

(2000)

In an Independent Study of the Higher Education Review in 2003, Phillips Curran Consulting echoed the findings in the UK here in Australia:

Not surprisingly, disadvantaged students are more sensitive to financial pressures. They are more likely to: defer their HECS fees; resort to personal loans (on top of HECS debts); study part-time when they would prefer to study full-time if finances permitted; and have a restricted choice of course and university due to financial considerations. There is also international evidence suggesting that disadvantaged groups are more debt averse, even when loan repayments are income contingent. There is now also some evidence in Australia to suggest that HECS debts may be influencing the willingness of graduates to take on home mortgages. (Phillips Curran Consulting 2003)

A CAPA Report from 2003 drew similar conclusions: 'While participation has increased, low-income students are increasingly restricted to lower-cost, lower status and potentially lower-quality higher education options' (CAPA 2003).

Simon Marginson had drawn the same conclusions back in 1995:

The American system shows that a mixed public/private and strongly market orientated system is not incompatible with high participation in both undergraduate and postgraduate education. But it exhibits fundamental inequalities in access, and like American society as a whole, a massive and totally unacceptable degree of differentiation between high quality and low quality outcomes.

There are therefore two obviously concerning consequences of increasing student contributions and of allowing universities to set fees at whatever price the market will bear. First, disadvantaged students are less likely to participate in higher education at all, which the Consultation Paper demonstrated is in fact the case in Australia. Second, those who participate are more likely to end up in lower-cost courses, with potential concerns around status and quality.

Recommendation 3 *That there be no immediate increase in student contributions.*

Recommendation 4 *That all student contributions to Commonwealth Supported Places (CSPs) are capped at a maximum student contribution of 50 per cent.*

Recommendation 5 *That caps on up-front student fees remain, and articulate to the real cost of delivery as per Recommendation 2.*

Recommendation 6 *That every course include some Commonwealth Supported Places (CSPs), which are offered on the basis of means testing as well as merit.*

Postgraduate education and the real cost of delivery

The question of whether postgraduate coursework should cost more than undergraduate appears vexing, but CAPA asserts that evidence demonstrates the need for higher funding levels. CAPA has lobbied the Government and universities for over 30 years to address quality issues in coursework postgraduate degrees, where the single most common complaint is that postgraduate degrees are merely 'rebadged' undergraduate degrees. By that, there is a received wisdom in the sector that postgraduate education is or should be at a higher level than undergraduate education, as is appropriate for those in the second or third iteration of higher degrees.

By quality, it is generally accepted that postgraduate coursework degrees will have smaller class sizes as befits deep intellectual engagement with challenging material by those who are already grounded in the 'graduate attributes' of their undergraduate experience. It is also accepted that academic staff teaching into a coursework postgraduate program will generally be more senior academics. Small class sizes and more senior staff come at a price, but additionally, many postgraduate courses are taught in an accelerated mode, requiring more intensive use of facilities, staff and other resources, which is also a more expensive model of delivery.

The recently revised Australian Qualifications Framework (AQF) (to be implemented in July 2011) asserts that a graduate of a Masters Degree (by coursework or research) will be able to demonstrate 'advanced and integrated understanding of a complex body of knowledge in one or more disciplines or areas of practice' as compared with a Bachelor Degree, which should develop graduates with 'broad and coherent knowledge and skills'. The AQF situates a Bachelor Degree at Level 7, Honours/Grad Cert/Grad Dip at Level 8, and Masters at Level 9, in clear recognition of the progression of knowledge and skills.

Universities have increasingly focused their efforts on postgraduate coursework degrees as employers demand higher levels of training and education in a competitive employment market. In doing so, they have responded with variable success to employer demands and student expectations that postgraduate education will deliver advanced offerings. For example, the University of Western Australia (UWA) has a curriculum development website to guide educators, where it details some of the differences expected in postgraduate coursework. According to UWA, these might include considerations such as:

- a. the intellectual depth, scholarly currency and wider practical application of the course?*
- b. the balance between professional extension and generalist education?*
- c. the engagement of students as adult learners whose experience and knowledge can contribute to the learning of others?*
- d. assessment strategies that reflect the professional and applied learning requirements of postgraduate study?*
- f. is the course an extension of the discipline for existing students or directed towards students seeking a professional qualification?*

(UWA 2010)

Smith and Frankland reiterated the concerns above regarding equity and access in a deregulated fee market, and go on to make the further point about the impact of deregulation

on course quality:

Deregulation and marketisation have highly detrimental equity consequences. The barrier of up-front fees has meant that Indigenous peoples, isolated and rural students and students from low socio-economic backgrounds are significantly under-represented at postgraduate level.

In the absence of sufficient numbers of fee-paying students, postgraduate courses are only sustainable if departments use undergraduate subjects for part of, or the entire, course. This is a controversial practice. Some academics argue they 'mark harder' and some also set additional work for postgraduate students in undergraduate subjects. Even so, it is difficult to believe that discussions in a subject with twenty students comprising eighteen 2nd year and two 4th year students will not be conducted at the lower level. We contend that excessive use of undergraduate material is, by definition, 'dumbing down' of postgraduate education and potentially misleading to students seeking to enrol in 'postgraduate' programs' (2000).

In a 2008 'Position Paper on the Implementation of the Arts Renewal Strategy', the University of Melbourne Postgraduate Association (now the Graduate Student Association, or GSA) detailed the experiences of an international coursework student, which included misleading information on the website before her arrival regarding subject availability, cost of units, and finally, her disappointment at being in classes with Honours students.

Jane's final complaint is that she arrived with a strong educational background, began the degree in her mid-twenties, only to discover that she would be in classes with undergraduate honours students. She finds this the most disheartening part of her entire difficulties, as she claims that she is unable to connect with 20 year old undergraduate students who not only don't yet have a degree at all, but who don't have the same level of life experience that she has, and who interact and learn in the classroom in fundamentally different ways to Jane.
(GSA 2008)

Some in the sector are concerned that funding postgraduate courses at a higher level will lead to perverse incentives to shift undergraduate study to postgraduate. However, CAPA maintains that we can't have it both ways – the sector cannot demand higher level coursework and its associated costs and refuse to fund it appropriately and sustainably. If courses were all funded at a level commensurate with the actual cost of delivery, it would remove perverse incentives. Further, the establishment of the Tertiary Education Quality and Standards Agency (TEQSA) should provide the necessary quality assurance that degrees offered at the postgraduate level are indeed what they claim to be.

Those in the sector who are concerned about charging more at the postgraduate level perhaps also forget that this is already true of full-fee places, and the legislation to preclude full fees for undergraduate domestic students will put more pressure on universities to ensure they can charge full cost recovery in postgraduate and international fee-paying places. If CSPs were funded at full cost of delivery, the risk of over-charging students in other places would be much lower.

Australia has struggled with questions of quality in postgraduate coursework for many years.

Government reports from the mid-1990s highlighted recognition of these concerns but offered no real insight nor solutions for quality assurance (McInnis, James & Morris 1995, Australian Government 1995).

In a benchmarking report of minimum resources for postgraduates released by CAPA last year, we were unable to meaningfully scrutinise policies to support coursework postgraduates as there are so few in existence in Australian universities. Given the high individual costs to students and the importance to the nation that trends to a more highly educated population continue, this situation is untenable, and CAPA looks firmly to TEQSA to redress quality issues for this growing and important cohort.

In recognition that the AQF defines postgraduate coursework at a higher level than undergraduate degrees, that employers are demanding more advanced education and training, and that postgraduate students expect dedicated, advanced teaching and assessment practices with a cohort of other postgraduates:

Recommendation 7 ***That postgraduate courses be funded at a higher rate than undergraduate courses as is appropriate to more expensive teaching and assessment models. Quality must be closely monitored by TEQSA.***

Opportunity Costs of Postgraduate Education

Student contributions through a deferred loan system or up-front fees, as well as choices to forego income and incur a number of ancillary expenses of higher education, not only have consequences during the period of study, but for an extended period after graduation. These consequences are not only individual, they impact on society more broadly.

Home ownership is one example of a significant change from earlier generations to Generation X and beyond. According to the Australian Bureau of Statistics, home ownership has been essentially stable at 70 per cent for many years, but outright home ownership has gone from 45 per cent in 1947 to 33 per cent in 2008. Housing prices increased 127 percent between 1995 and 2006. (ABS Social Trends), making housing affordability a key issue for young people today.

“Declining home ownership levels and the increasing age of first home ownership have been directly linked to HECS debt. In 2002, the ABS's analysis of renter households made the following conclusion.

Young people are now likely to start their housing career later in life and to remain renting for a longer period than in the past. This can be attributed to factors such as the delay in family formation as well as longer periods spent studying, compulsory Higher Education Contribution Scheme (HECS) repayments, increased superannuation payments and reduced job stability, all of which result in lower incomes and a reduced ability to save towards a home deposit.”
(Pearse 2003)

At the same time that housing prices have skyrocketed in Australia, students have been asked to individually bear increasing costs of higher education, which has made the difficulty of entering the housing market even greater. And where 20 years ago average household debt was \$50 per \$100 of income, in 2005, that figure had risen to \$150 per \$100 of income (Australian Government 2005). The recent Global Financial Crisis shone a spotlight on the very serious consequences for individual households with high debt levels when housing and employment markets collapse. It is fundamentally inconsistent for a Government to discourage high levels of household debt while asking students to take on ever-increasing loans to fund their education.

Ancillary Costs of Postgraduate Education

Student fees are not the only costs incurred during postgraduate study. With the average age of a coursework postgraduate student at 35, there is an increasing proportion of students with families, mortgages and/or caring responsibilities for ageing parents or other family members. The assumption that coursework postgraduates will have savings to rely on during their study is not backed up with any evidence to suggest that this is, in fact, true.

As postgraduate students in a number of Australian states are not eligible for public transport concessions, they must bear the full price of commuting to university while usually earning less as they work part time (or not at all) in order to study. Additionally, many will incur childcare costs in order to study, and their housing costs are likely to be higher than undergraduates as more will be living in single-family households, whether renting or paying off a mortgage, leading to higher weekly costs of tenancy. There are also the costs of raising a young family for those with children.

Additionally, there are a number of academic costs, which are in addition to up-front or deferred fees. Printing, photocopying, stationery, computer ownership or leasing arrangements and academic texts are just some of the many unavoidable expenses of undertaking a degree. There is no reliable data available that confirms just how much money postgraduates are spending on these ancillary costs, but anecdotal evidence certainly indicates they are not insignificant.

Recommendation 8 *That all consideration of student contributions be weighed carefully against the opportunity costs and ancillary expenses of undertaking higher education, noting cohort differences between undergraduate and postgraduate students.*

Capital Costs in Base Funding

The current definition of base funding does not include capital costs for maintaining and developing infrastructure, which may include but not be limited to the built environment, ICT, and library materials. Australia should take note of the negative consequences of failing to plan for infrastructure strain, as it is a looming concern with the imminent uncapping of undergraduate places in 2012.

A decade of enormous growth in the international student market should have taught us well that without additional physical spaces, teaching staff, support services and a host of other measures to address increasing housing demand and employment needs of international students in Australia led to a number of negative outcomes, which are only now being systematically addressed.

Increasing base funding per student but only accounting for the teaching and learning costs elides the need to expand all of the infrastructure of higher education institutions, or face more overcrowded classrooms, significant workload issues for academic staff, and declining student satisfaction, which is tied to retention rates and performance on international rankings.

Recommendation 9 *That base funding account for capital costs to address infrastructure strain that comes with increased student numbers.*

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