



# Council of Australian Postgraduate Associations

Pre-Budget Submission

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Compiled with the assistance of the staff and office bearers  
of the Council of Australian Postgraduate Associations (CAPA)  
and its affiliated member organisations.

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## Foreword

The Federal Government now recognises the challenges of the changing economy and the importance of innovation and research in this new economy. While changing legislation and encouraging industry investment is one way of stimulating an ideas boom the most effective measure is through the use of budgetary tools. Postgraduate students lay at the forefront of the innovation economy whether they are research students tackling the questions of today and tomorrow or coursework students that will become the professionals of the future.

Past budgetary cuts to programs such as the Research Training Scheme as well as commonwealth support for student placements have left universities to bare the bulk cost of research training. This has directly affected the ability for universities to train the researchers and innovators of the future and has left Australia lagging. Previous plans to increase income support to coursework postgraduate students have also been shelved threatening completion rates as well as limiting postgraduate degree participation. While investment in postgraduate education may seem to provide few short term benefits the long term benefits of increasing support and funding to Australia's economy are quite clear.

The Council of Australian Postgraduate Associations (CAPA), is the peak body representing the interests of Australia's 340,000+ postgraduate students, with over 60,000 undertaking research degrees and over 280,000 pursuing coursework or combined research programs. Founded in 1979, CAPA is a membership based non-profit organisation, our members include over thirty postgraduate associations, and the National Aboriginal and Torres Strait Islander Postgraduate Association (NATSIPA). CAPA carries out its mission through policy, research and activism, communicating the interests and issues of postgraduate students to the Federal Government, Federal Opposition and minor parties, and higher education stakeholders. CAPA is Australia's longest continuously running student peak body representing students since 1979.

In this submission CAPA is recommending three priority areas to inform the 2017-18 Federal Budget. These priority areas have been selected as the most effective ways to address research and education issues that are currently stifling the Australian economy and the Higher Education Sector

**Recommendations:**

1. Extend income support to all postgraduate courses through Austudy and Youth Allowance
2. Maintain the Research Training Scheme (RTS) in its current form, and continue to fund the scheme in full, and
3. Follow through with its commitment to support research training in Australia and revisit the priorities listed in the Research Workforce Strategy 2011.

## Income support for all domestic postgraduate students

For a number of years now CAPA has recommended that income support should be extended to all postgraduate coursework courses and not just the select few that are currently eligible. This is an initiative that was originally set to be achieved at the start of 2016 but was axed in the 2014 MYEFO to shit \$103.9 million into “budget repair”<sup>1</sup>. CAPA considers the decision to scrap this initiative to be a mistake but one that is not beyond repair. The importance of professional Master’s courses to the changing Australian economy cannot be understated.

Beyond income support to all Master’s students there is a group of students that are oft-overlooked in regards to providing adequate support for their studies. Domestic Higher Degree Research students are supported through the Research Training Program for the cost of their research training however these students remain ineligible to receive income support. Approximately 3500 research students each year are supplied with a living stipend through the Research Training Program (formerly the Australian Postgraduate Award) however that leaves around 6000 commencing research students with no access to income support (Table 1). Unless their universities can fund these students through university funded scholarships that is 6000 students that put their future, their research, and their very health at risk.

The recommendation that CAPA is presenting for consideration in the 2017-18 federal budget is that income support through youth allowance and Austudy programs be extended to all postgraduate courses for students that are eligible and do not have another means of financial support. This income support should be available in the same way that it currently is for undergraduate and some postgraduate students however, those students receiving a full-time equivalent scholarship from a higher education institution for a research degree should not be included for the sake of fairness.

### *Investment cost*

As mentioned earlier expanding income support was on the agenda of the Federal Government previously however it was scrapped so the cost could go to “budget repair”. At the time the investment cost was estimated at \$103.9m over the first 2 years of the program. Given that most masters programs last 1.5 – 2 years there is little risk that the cost of providing income support to these students is going to blow out any time in the near future with any increase to occur only with an increase in the cost of living.

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<sup>1</sup> Department of Finance, (2014) “Mid-Year Economic and Fiscal Outlook 2014-15” Retrieved from [http://www.budget.gov.au/2014-15/content/myefo/html/00\\_prelims.htm](http://www.budget.gov.au/2014-15/content/myefo/html/00_prelims.htm)

CAPA recommends that not only should the initial plan be implemented but it should be extended to support to all masters students and all domestic higher degree research students that are not currently supplied with a scholarship. This will increase the investment cost of this program somewhat however it is a sustainable investment that is again unlikely to blow out in future years. As previously mentioned of the 9500 research students that commence each year approximately 3500 were supplied with an Australian Postgraduate Award in the past 3 years (See Table 1).

*Table 1 Number of commencing Australian Postgraduate Awards and the number of commencing domestic higher degree research students 2013 - 2015. Numbers based on student data extracted from the Department of Education<sup>2</sup>. Note: approximately 330 APAs were available for international students each year.*

Year	Number of Commencing Australian Postgraduate Awards	Number of Commencing Domestic Higher Degree Research Students
2013	3500 APAs	9549 Students
2014	3499	9810
2015	3497	9616

This leaves 6000 research postgraduate students without a federally based form of income or income support. It is true that many institutions provide university, philanthropic, or industry based scholarships however these do not cover all students leaving some out in the literal cold. Between these other forms of income support an estimates 1000 postgraduate student are provided funding with the majority of that funding coming from university awards.

With the number of students that undertake a research degree part-time for reasons of work commitments or family commitments etc. the total number of commencing research students that require income support is somewhat limited. Based on the research student commencement numbers, the proportion of students that are international or part-time and would not be eligible under this scheme approximately 3,500 students that commenced in 2015 would have been eligible, but in need of, income support. In some cases, as students continue their research degrees, universities use available funding to place students on scholarship programs after their first year of study. Realistically the number of students that would utilize this income support would be lower than we have estimated however without further data on research students' finances CAPA believes this to be as accurate an estimate as possible.

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<sup>2</sup> Department of Education and Training, (2013, 2014, 2015) "Commencing Student Load" Retrieved from <https://www.education.gov.au/selected-higher-education-statistics-2015-student-data>

An overall estimate of this initiative is based on previous government figures as well as an estimate of the number of commencing higher degree research students that would be eligible over the next 4 years (Table 2). The overall estimated investment cost of this initiative over 4 years is \$545m however given the graduation rate and the expectation of research students completing after 4 years and masters in 2 the only increased experienced from this initiative would be due to inflationary increases.

*Table 2 The predicted investment cost of extending income support to all postgraduate coursework and research students. Estimates are based on research student commencement numbers in the past 4 years and the predicted cost of the initial plan shelved in 2014.*

Cost (\$m)	2017-18	2018-19	2019-20	2020-21
Research Students	30.1	60.3	90.4	120.5
Masters by Coursework	34.1	68.8	68.8	68.8
Total	64.2	129.1	159.2	189.3

### *Outcomes of Program*

**Improved Completions** - One of the obvious benefits of this program is the provision of income support to students that are in desperate need of support. The most recent report on completion and attrition rates among undergraduate students indicate increasing attrition rates of students<sup>3</sup>. The reasons for such attrition rates can be many and varied however research into student finances indicates significant levels of financial stress amongst students. While this report focused on Bachelor students there is every expectation that such a report would yield similar result or worse given that the “older” postgraduate students are undoubtedly under worse pressure with a reported 25.2% of postgraduate coursework students going without food on a regular basis<sup>4</sup>.

The costs of students not completing a postgraduate degree are also more damaging for universities and Australia than undergraduate degrees. A coursework student that does not complete does not pay the larger course fees to the Higher Education Provider which effects funding, and a research student that does not complete does not publish their research or add to the completion funding which damages Australia’s research sector and university.

<sup>3</sup> Department of Education and Training, (2017) “Completion Rates of Higher Education Students-Cohort Analysis, 2005-2014” Retrieved from <https://docs.education.gov.au/node/41841>

<sup>4</sup> Universities Australia, (2013) “Australian University Student Finances In 2012” Retrieved from <https://www.universitiesaustralia.edu.au/news/commissioned-studies/Australian-University-Student-Finances-in-2012#.WICe11yo3Ms>

**Increased Participation** – The proportion of Australians that hold a postgraduate degree in Australia is deplorable when compared to the rates in other OECD countries. The OECD indicators show that Australia is ranked 25<sup>th</sup> out of 31 in proportion of people holding postgraduate qualifications<sup>5</sup>. This qualification deficient not only negatively impacts on innovation and Australia’s long term productivity<sup>6</sup> but it also damages our ability to compete internationally both in higher education and in research. Only 17% of postgraduate coursework students in Australia receive income support compared to close to 40%<sup>7</sup> of undergraduate coursework students because many courses are not granted income support status.

**A more qualified workforce and greater research output** – As mentioned previously, increased participation and completion is essential to Australia’s future workforce. Modelling performed in 2010 projected that there would be a 47.9% increase in demand for employed persons with a doctoral degree from 2007-08 to 2019-20<sup>8</sup> and that the Australian economy is not equipped to meet this demand. The changing nature of research degrees not only indicate that doctoral students will be heading out into the workforce but the changes in the economy suggest that these students will be needed.

There is also the increase in research output that can be achieved through income support for research students. Previous funding of research training was not only based on student load but also research output, however, under the new Research Training Program that funding lever is lost. Students will be required to complete sooner which will limit the research output of postgraduate students. A student that is working on their thesis and having to work 40 hours a week to pay rent is unlikely to have time to publish papers or attend conferences. Postgraduate students provide 57%<sup>9</sup> of the human resources devoted to research and development in Australia. If the pressure to publish is removed and students are required to work more and more to make ends meet that is 57% of the research human resources that will have no output apart from a qualification. Remove the need to work externally as much

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<sup>5</sup> OECD Indicators, (2015) “*Education at a Glance 2015*” Retrieved from [http://www.oecd-ilibrary.org/education/education-at-a-glance-2015\\_eag-2015-en](http://www.oecd-ilibrary.org/education/education-at-a-glance-2015_eag-2015-en)

<sup>6</sup> Ian Watt AO, (2015) “*Review of Research Policy and Funding Arrangements*” Retrieved from <https://docs.education.gov.au/node/38976>

<sup>7</sup> Universities Australia, (2013) “*Australian University Student Finances In 2012*” Retrieved from <https://www.universitiesaustralia.edu.au/news/commissioned-studies/Australian-University-Student-Finances-in-2012#.WICe11yo3Ms>

<sup>8</sup> Edwards, DE. (2010) “*The Future of the Research Workforce: Estimating Demand for PhDs*”, Australian Journal of Higher Education Policy and Management, Vol. 32, No. 2.

<sup>9</sup> Australian Bureau of Statistics (2012) “*8111.0- Research and Experimental Development, Higher Education Organisations, Australia, 2012*” Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/PrimaryMainFeatures/8111.0?OpenDocument>



through income support and that will allow students to devote more time to utilizing their research through industry impact, publishable research, and international engagement.

**Funding opportunities for Higher Education Institutions** – In Australia the postgraduate coursework structure is a relatively new development with only a few institutions adapting this model. It is however a model that will increase in the coming years due to qualification creep and the need for students to compete on an international stage. Higher Education Institutions are screaming for increased teaching funding however fee deregulation is not an option. Higher Education Providers are left with 2 choices to increase funding; either they can increase international student engagement (something every university is already trying to do), or branch out into the postgraduate coursework market.

Universities that have already taken this approach, such as The University of Western Australia, are struggling to fill these postgraduate courses and it is not due to a lack of demand. Students know that to compete in the current marketplace they must hold more than a Bachelor's degree yet many are unable to support themselves and pay the increased course fees required of postgraduate courses. Providing income support to students and increasing participation numbers in postgraduate courses is the perfect opportunity to both increase funding for higher education providers as well as boost Australia's innovation workforce.

**Increased Industry Engagement** – Reviews of the research training system in Australia correctly identified the need for research students to better engage in industry and the ACOLA review<sup>10</sup> specifically indicated a need for industry internships amongst research students. The funding mechanism for these internships is now also available through the flexibility provided by the new Research Training Program however this will not solve the industry engagement issue completely. As shown earlier there are a number of research students that do not receive funding through the Australian Postgraduate Awards (now the RTP). Only through extending income support to students that are not under scholarship will all students have the financial freedom needed to participate in the industry internships that have been recommended so strongly, and that the Federal Government has agreed is necessary.

The industry engagement that has been recommended so far is focused on research students. It would be foolish however to not realise that there is a need for professional masters students to also have the opportunity to engage better with industry. The recently released Draft National Infrastructure

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<sup>10</sup> Australian Council of Learned Academies, (2016) *“Review of Australia’s Research Training System Final Report”* Retrieved from <http://acola.org.au/index.php/projects/securing-australia-s-future/saf13-rts-review>

Investment Roadmap<sup>11</sup> indicated the importance of training people in the needs of the national infrastructure. Without an extension of income support to these students there is little chance that they will have the financial means to take time away from work to ensure they can engage with industry as needed.

**Fairness** – Undergraduate courses, TAFE courses, some postgraduate courses, and more all qualify for income support for the students that are studying in these areas. There is no expectation that an apprentice or a student at any level should be beggared in order to gain the qualifications they need to be a productive member of society. Yet for some reason income support is cut-off at the highest levels of education. In the past it may have been seen that postgraduate qualifications were a luxury meant only for those that could afford them and not necessary to the Australian economy. This is no longer the case. Qualification creep has meant that a Master’s degree is now as important as a Bachelor’s degree was 10 years ago. The Australian economy has to shift to innovation and research and postgraduate students will be needed sooner rather than later. Income support must be provided to all students regardless of the level of their studies or Australia risks falling behind.

**Recommendation 1:** Extend income support to all postgraduate courses through Austudy and Youth Allowance

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<sup>11</sup> Department of Education and Training, (2017) “2016 National Research Infrastructure Roadmap” Retrieved from <https://www.education.gov.au/2016-national-research-infrastructure-roadmap>

## Increased Support for Research Training

It has long been understood that Australia cannot have the world class universities, world class innovation and world class advanced industry without a strong commitment to research. In order to have that we must recognise the contribution made by postgraduate students to research in Australia. Every university utilises their postgraduate population in the pursuit of their own learning and teaching goals, and provide postgraduate students with the avenues to pursue careers as academics. It has been noted in as diverse places as National Health and Medical Research Council<sup>12</sup>, the National Commission of Audit<sup>13</sup>, and CAPA<sup>14</sup> itself, however, that Australia's commitment to research is far behind where it needs to be and demands significant improvement.

During CAPA's pre-budget submission of 2015, we made the case that the most important immediate recommendations which should be followed were that:

1. That the Government maintain the Research Training Scheme (RTS) in its current form, and continue to fund the scheme in full, and
2. That the Government follow through with its commitment to support research training in Australia and revisit the priorities listed in the Research Workforce Strategy 2011.

The degree to which these recommendations have been taken on board is mixed to minimal at best. We have now seen not only the RTS but also the Australian Postgraduate Awards (APA) and International Postgraduate Research Scholarships (IPRS) rolled into a single program, the Research Training Program (RTP)<sup>15</sup>. This program, having been only launched this month, is of course far too young for us to offer commentary on its results at this point.

If, as was a goal of its introduction, it leads to a simplification of the process of applying for research block grants, we welcome it. However, this runs a serious risk of students who would previously have been covered slipping through the cracks in the new, streamlined system. While section 1.6.50 of the rules covering the new RTP notes that higher education providers must offer "each continuing student a RTP scholarship in a form that does not disadvantage the continuing student"<sup>16</sup>, we note that this makes no guarantees that new students only beginning their HDR programs are guaranteed anywhere

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<sup>12</sup> National Health and Medical Research Council, (2016) "Targeted and Urgent Calls for Research" Retrieved from <https://www.nhmrc.gov.au/grants-funding/apply-funding/targeted-and-urgent-calls-research>

<sup>13</sup> National Commission of Audit, (2014) "10.2 Research and development" Retrieved from <http://www.ncoa.gov.au/report/appendix-vol-2/10-2-research-and-development.html>

<sup>14</sup> Council of Australian Postgraduate Associations, (2016) "Funding boost a good start to the Australian ideas revolution" Retrieved from <http://www.capa.edu.au/media-releases/funding-boost-good-start-australian-ideas-revolution/>

<sup>15</sup> Australian Government, (2017) "Commonwealth Scholarship Guidelines (Research)" Retrieved from <https://www.legislation.gov.au/Details/F2016L01602>

<sup>16</sup> *ibid*

near the funding they may have received through predecessor Australian Government programs. In an era where universities across the country are already struggling to properly fund their research programs, a reduction in funding being made available to Higher Education Providers (HEPs) will have significant knock on effects. Careful monitoring of how this updated form of the scheme is implemented will be necessary to ensure that no research students are left worse off, not just the ones whose research was already underway. Australia's research relies on such funding, and therefore such funding needs to be implemented in full and available as broadly as possible.

When the Research Workforce Strategy 2011<sup>17</sup> was published, it acknowledged that the mechanisms for the allocation of funding were significantly flawed and did not accurately reflect the costs associated with delivering it. While one of the proposed responses to this, a review of the Research Training Scheme, has taken place, the review has based on its outcomes failed to take into account the other priority responses of the Research Workforce Strategy (RWS).

**Recommendation 2:** That the Government maintain the Research Training Scheme (RTS) in its current form, and continue to fund the scheme in full, and

**Recommendation 3:** That the Government follow through with its commitment to support research training in Australia and revisit the priorities listed in the Research Workforce Strategy 2011.

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<sup>17</sup> Department of Industry, Innovation and Science (2011) "Research Skills for an Innovative Future" Retrieved from <https://www.industry.gov.au/research/ResearchWorkforceIssues/Documents/ResearchSkillsforanInnovativeFuture.pdf>