Higher Education Reform Provider FAQS

The answers to the below FAQs are subject to the passage of legislation.

Improving the sustainability of higher education

Subsidies provided under the Commonwealth Grant Scheme (CGS) will be subject to a 2.5 per cent efficiency dividend applied in each of 2018 and 2019. The existing medical loading of $1394 per EFTSL in 2017 will be extended to include veterinary science and dentistry units of study from 2018 to improve the funding arrangements for these courses.

What is the impact of the efficiency dividend on university funding?

Given the increased contributions to be made by students, an efficiency dividend of 2.5 per cent in 2018 and 2019 equates to a reduction in base funding by 2.8 per cent.

Why hasn’t the efficiency dividend been applied uniformly to all CGS funding clusters?

The reduction in CGS funding varies across CGS funding clusters in order to maintain the relative funding of disciplines after taking account of the increased student contributions.

Why is veterinary science and dentistry receiving access to the medical loading?

The extension of a clinical training loading to veterinary science and dentistry will bring funding for these disciplines into line with funding for medicine, which involves similar costs.

How will Maximum Basic Grant Amounts (MBGAs) be determined?

All MBGAs will be recalculated for all higher education providers in 2018 and subsequent years based on the agreed allocation of CSPs and the revised CGS funding cluster amounts. Each higher education provider will be directly notified of the estimated change to their MBGA in the coming months.
From 1 January 2018, subsidies for most Australian permanent residents and most New Zealand (NZ) citizens enrolling in a Commonwealth Supported Place (CSP) will be withdrawn, making them fee-paying students.

What happens to our current New Zealand or Permanent Visa holder students from 1 January 2018?
These students will have two options:

(1) They can continue their current course in a subsidised CSP and continue to pay upfront fees; or

(2) Alternatively, they can transfer their studies to a fee-paying place and access a FEE-HELP loan to pay their fees.

Note: New Zealand citizens with Special Category Visas who meet the specific long-term residency requirements for a Commonwealth supported place/HELP are not affected.

What happens to future New Zealand /Permanent Visa holder students from 1 January 2018?
These students will be enrolled in a fee-paying place and have access to FEE-HELP loans.

Note: New Zealand citizens with Special Category Visas who meet the specific long-term residency requirements for a CSP/HELP are not affected.

How are New Zealand Special Category Visa (NZ SCV) holders who meet the current Commonwealth supported place (CSP)/HELP long-term eligibility criteria affected?
Students who meet the specific NZ SCV long-term residency requirements are not affected. These students will continue to be eligible for both a subsidised CSP and a HECS-HELP loan for their studies.

How does this affect our current Permanent Humanitarian Visa (PHV) holder students?
As long as the student keeps their PHV, they are not affected.

However, this measure does continue access to PHV holders who may lose their PHV the following circumstance:

If a PHV who is currently studying in a CSP loses their PHV status due to travelling outside Australia after the travel facility of their visa has expired (which means they will apply for a Resident Return Visa on return to Australia - a Permanent Resident (PR) visa), they will still be eligible to continue accessing the CSP and a HECS-HELP loan for their current course of study.
The Promotion of Excellence in Learning and Teaching in Higher Education (PELTHE) program will cease and the administration of the Australian Awards for University Teaching (AAUT) and the Office for Learning and Teaching digital repository will be transferred to Universities Australia.

When is the Australian Government ceasing the Promotion of Excellence in Learning and Teaching in Higher Education (PELTHE) program?
The Australian Government will cease the PELTHE program from 1 January 2018. All financial obligations to ongoing grants made under PELTHE will be met, with the last payments to be made by the end of 2017.

Why is the Government ceasing of the Promotion of Excellence in Learning and Teaching in Higher Education (PELTHE) program?
The last decade of government support for the PELTHE program has set a high standard for the support of teaching and learning initiatives. Higher education institutions themselves will now take responsibility for the recognition and promotion of learning and teaching excellence, best practice and innovation.

How will the Australian Government ensure the continuation of high quality learning and teaching in higher education institutions?
The government is ensuring greater university transparency and accountability through the Quality Indicators in Learning and Teaching (QILT) surveys, published on the QILT website. These surveys allow students to compare institutional performance in overall student experience, including teaching quality and support, and graduate outcomes.

How will we know if Universities Australia will be as fair and transparent as the Australian Government has been over the last decade if they are administering their own awards?
The awards have always been underpinned by rigorous peer assessment working closely with Universities Australia’s Deputy Vice-Chancellor Academic committee. Peer assessors are all senior academics with extensive experience in learning and teaching best practice and innovation. There is no reason for UA to abandon this approach.

Why are you outsourcing management of the digital resource library?
Universities Australia, as the peak body representing Australian universities both nationally and internationally, is the appropriate organisation to take leadership in recognising and promoting excellence on behalf of the higher education sector. This includes leading the Australian Awards for University Teaching and curating the related digital resource library.
More choices for students

The Government will commit $15 million over four years to assist in the establishment and maintenance of up to eight community-owned, regional study hubs across mainland Australia.

How will the proposed $15 million in funding be used?

The proposed $15 million of funding over four years will assist in the establishment and maintenance of up to eight community-owned, regional study hubs across mainland Australia.

The specific balance and level of funding for individual study hubs may vary depending on each individual business model. Other stakeholders, including state governments and local councils are expected to contribute financially to the establishment and running of RSHs.

What will the criteria entail for assessing which Regional study hub (RSH) applications are successful?

The criterion for assessing RSH applications is still to be finalised.

Will an application for a Regional support hub (RSH) need to have partner universities?

RSHs require a partner university to deliver courses in regional areas in order for them to be established.

The Higher Education Participation and Partnerships Program (HEPPP) will be reformed to deliver three funding streams to universities – a loading for each eligible low socio-economic status (SES) student, performance funding based on success rates of low SES and Indigenous students, and a National Priorities Pool to give a greater focus on rigorous evaluative research and to encourage collaboration between universities.

When will changes to the HEPPP take effect?

Reforms to the HEPPP will take effect from 1 January 2018.

How will HEPPP funding be allocated to universities under the reforms?

HEPPP funding will be allocated to universities through a new HEPPP Access and Participation Fund and through the HEPPP National Priorities Pool. Access and Participation Fund funding will be provided in two streams:

1. All universities listed at Table A of the Higher Education Support Act will receive a loading of $985 per low SES domestic undergraduate student they have enrolled in the year for which data is most recently available. This loading will be indexed for inflation. It will provide universities with funding certainty, facilitate longer term planning and projects, and enable institutions to roll out a consistent level of support over time.

2. Universities listed at Table A of the Higher Education Support Act will receive a proportion of performance funding if they improve their average success rates for low SES students or for Indigenous students. There is $13.3 million available in performance funding, which will be indexed for inflation. The performance funding will provide an incentive for universities to support low SES students to succeed and complete their degree.
Will the Government continue the HEPPP National Priorities Pool under the reforms?
Yes. The Government will provide funding under the HEPPP National Priorities Pool to support projects that develop evidence, trial innovative ideas and encourage collaboration between universities for more effective implementation of the HEPPP.

In 2018, the amount allocated to the HEPPP National Priorities Pool will be $9.5 million. This amount will be indexed in future years for inflation.

Will the HEPPP Participation and Partnerships components continue under the reforms?
The HEPPP Participation and Partnerships components will be combined into a single Access and Participation Fund. The same activities that were funded under the Participation and Partnerships components can still be funded under the Access and Participation Fund.

Has the HEPPP focus on low SES students changed?
No. The HEPPP will continue to provide funding to eligible universities to assist students from low SES backgrounds to access, participate in and succeed in higher education. This includes assisting students from low SES backgrounds who are also from rural and regional Australia, who are Indigenous or who have disability.

In 2019 the Government will implement a ‘student-centred’ model for the distribution of postgraduate coursework places, ensuring the places are used at the institutions where students want to study.

How will providers be affected by the new postgraduate CSP scholarship program?
All providers approved to offer Commonwealth supported places will need to implement the new postgraduate scholarship system.

All students will still be required to meet the entry requirements of their chosen course at their chosen provider.

Approved higher education providers will continue to be able to offer fee-paying places to anyone who does not gain a CSP scholarship.

What will happen at those institutions that have entered into special arrangements with the Government to constrain growth at the bachelor-level in return for additional postgraduate places?
The Government will negotiate appropriate transition arrangements with those institutions, given their current funding agreements support the broad bachelor and professional masters models adopted by those universities.

What are the transitional arrangements for students who start postgraduate study before CSP scholarships commence?
Students who were studying in a postgraduate CSP or students who formally accepted an offer of a postgraduate CSP before 2 May 2017 can continue under the existing arrangements until they finish their course or up until 31 December 2020, whichever is earlier.
Students who are offered or who commenced a course in a CSP after 2 May 2017, can continue as a CSP until 31 December 2018. These students will have to apply and be awarded a scholarship if they wish to continue in a CSP after 31 December 2018. If the student is not awarded a scholarship, they can choose to continue their postgraduate course as a full fee-paying student and access a FEE-HELP loan, if eligible.

**How will the Government decide which higher education providers will lose some of their allocated postgraduate places as part of the decision to reduce the sector wide allocation by 3000 places from 2018?**

This will be determined in the context of the discussions around the 2018 funding agreements.

**Have higher education providers been consulted on this new postgraduate CSP scholarship scheme?**

The Government consulted the sector in 2016 on possible improvements to the way postgraduate CSPs are allocated. The submissions indicated broad support for a more transparent allocation process that would better reflect student demand. Some submissions suggested the allocation of CSPs directly to students and this approach has been adopted by the Government.

There will be further consultations with higher education providers, students and other stakeholders in the second half of 2017 to settle the detailed design of the scheme. These consultations will consider issues such as how to select students to receive a scholarship, any conditions attached to scholarships, the courses scholarships can be used for and detailed administrative processes to support the scheme.

**Does this mean that a university can lose all its postgraduate CSPs if no scholarship holders chose to study there?**

Yes. This scheme is a student-centred approach to the allocation of postgraduate students. From 2019, higher education providers will need to compete to attract the best postgraduate students and the funding these students will control.

All higher education providers will continue to be able to enrol students on a fee-paying basis and eligible student will have access to FEE-HELP to pay their fees.

**Doesn’t cutting the allocation of postgraduate CSPs by 3,000 places from 2018 mean that there will be fewer opportunities to access a CSP?**

Not in practice, no. In 2015, the Government allocated 38,456 non-medical postgraduate CSPs across the sector but 4,885 were left unfilled so the reduction is likely to have little or no effect on the number of postgraduate places being accessed by students. Allocating places directly to students from 2019 may help increase opportunities for students to access a CSP as the number of places left unfilled is expected to reduce.

**The demand driven funding system will be expanded to include Commonwealth Supported Places (CSPs) in approved sub-bachelor level diploma, advanced diploma and associate degree courses at public universities from 1 January 2018.**

**What will the process be for determining a course’s eligibility?**

The Government will work with universities to establish a process that imposes the least possible administrative burden on providers.
Will these changes affect private universities and other higher education institutions?
This policy expands the demand driven funding system only to approved sub-bachelor courses at Table A universities. Non-university higher education providers will continue to be able to offer these courses on a fee-paying basis and eligible students will continue to be able to access HELP loans to cover the upfront costs of studying sub-bachelor courses at non-university providers if they wish to do so.

Why expand demand driven funding if we are trying to make savings?
This measure is designed to improve outcomes for students who aren’t ready for bachelor-level study, and to provide more opportunities for those who want to study for less than three or four years and still graduate with a workforce relevant qualification.

It is designed to better target the Commonwealth’s investment in sub-bachelor education in universities, while giving students more power to decide where and at what level they want to study.

The Department of Education and Training will monitor the implementation of this policy very closely, including overall expenditure and estimates of student load from universities.

A new distribution mechanism for enabling courses will be implemented from 1 January 2019 to better match places to student need. The Commonwealth will also abolish the loading on enabling places from 1 January 2018 and replace the loading with an equivalent maximum student contribution rate.

What criteria will be used to allocate CSPs to providers?
The Government will commence consulting with stakeholders in the second half of 2017 on the selection criteria and the method to be used to allocate CSPs for enabling courses.

What are the transitional arrangements for students in enabling courses?
Students finishing their enabling course by the end of 2017 will not be affected by the changes.

For students continuing their enabling course in 2018, higher education providers will be able to charge a student contribution amount for enabling courses for units of study in enabling courses which have a census date on or after 1 January 2018.

If a provider is allocated CSPs in 2019, they can offer their students a CSP in an enabling course. If a provider is not allocated any CSPs in 2019, they will not be able to offer CSPs for enabling courses.

Does this mean that a university can lose all its CSP allocations for enabling?
The current allocation of CSPs in enabling courses will end in 2018. CSPs will be allocated if providers can demonstrate high standards of academic preparation and deliver high quality student outcomes. There is no guarantee of an allocation to all providers.

All higher education providers will be able to enrol students in enabling courses on a fee-paying basis. Eligible students can access FEE-HELP to pay their fees.
Why is the Government changing enabling course arrangements?
The Government wants to improve the quality and outcomes of enabling courses. Students benefit from improved enabling courses that should better equip them for further study. From 2019, providers will be awarded Commonwealth supported enabling places if they can demonstrate high standards of academic preparation and deliver high quality student outcomes.

How will these changes benefit providers?
Providers will benefit from CSPs being reallocated according to student need and quality of student outcomes. It will also ensure that scarce resources are effectively utilised at higher education providers that can best support disadvantaged students.

From 1 January 2018, Commonwealth contributions will be provided for Work Experience in Industry (WEI) units that are credited towards a Commonwealth supported qualification.

Will all work experience in industry units of study be funded?
No. Funding will only be provided for work experience in industry units of study that contribute towards a course of study and that meet the following conditions:
• Interaction with the student which may include site visits; and
• Organisation of the student placement; and
• Ongoing monitoring of student work and progress; and
• Assessment of student learning and performance during the student placement.

Will there be any limit on the amount of a student’s course that can be made up of work experience in industry units?
Yes, there will be a limit of one-sixth of a student’s total course load that can be work experience in industry units.

Do providers have to offer work experience in industry units?
No. It is up to providers to determine if work experience in industry units are a useful addition to a student’s study experience.
Increased transparency and accountability.

From 1 January 2018 the Government is introducing a performance-based element to the CGS, worth 7.5 per cent of total CGS cluster funding.

How will the performance contingent funding arrangements be implemented?
The arrangements for performance contingent funding will be incorporated into legislation with implementation details to be developed in consultation with the sector.

Which providers will be affected by the performance element?
All providers that receive CGS funding will have to satisfy the performance contingent funding requirements to receive their full entitlement to CGS cluster funding. All other higher education funding, including HELP payments, is unaffected.

What exactly does the performance element apply to?
The performance element applies to CGS funding for all study at every level, both undergraduate and postgraduate. The element applies to the base CGS amount only, and does not affect loadings such as those provided for medicine, dentistry and veterinary units or regional.

Does performance funding mean my provider will receive additional money?
No. The performance element is not additional “reward” funding, as the element is 7.5% of a provider’s current entitlement.

The Government will redistribute any funding from providers that forfeit their performance element within the sector. Depending on the design of the formula, this may provide the opportunity for additional funding.

How will my provider satisfy the performance requirements for 2018?
In 2018, universities will be required to participate in the reform of admissions information and cost of teaching and research initiatives also contained in this reform package.

How will the performance formula work from 2019?
The formula for 2019 will be developed in close consultation with the higher education sector.

Will providers have a say in the design of the final performance formula?
Yes. The Government will consult with the higher education sector on the design of the performance formula. The Government will finalise the design of the formula by mid-2018.

What is the legislative basis for performance funding?
The Government will seek Parliamentary approval to amend the Higher Education Support Act 2003 to provide for performance funding. The operation of the performance element will be set out in the Commonwealth Grant Scheme Guidelines 2012.

When will my institution know the impact of the performance contingent element on its CGS funding?
The Government will advise institutions of their CGS funding for a given year prior to that year. This ensures institutions are aware of their level of funding for the coming year and allows them to plan appropriately.
The Government will work with the higher education sector to establish a more transparent framework for the collection of financial data from higher education providers in order to regularly report on the cost of teaching and research by field of education.

Will all approved higher education institutions need to participate?
All higher education institutions receiving funding under the Commonwealth Grant Scheme (CGS) will be required to provide expenditure data under this measure. Providing this data is one of the criteria that must be met in order for an institution to receive their performance contingent funding component of the CGS.

What information will institutions need to provide and how?
The precise information that institutions will be required to provide will be determined through consultation with a stakeholder reference group. It is likely to be similar to the information requested through the process undertaken in the second half of 2016. Further consultation will also determine the most effective and efficient mechanism of data collection.

When will the information be collected?
It is anticipated that the first data collection will be conducted in the middle of 2018 and will be collected annually.

Will the data be made public?
It is anticipated that the Department of Education and Training will work with the reference group to agree on arrangements for publication of the data on the Quality Indicators for Learning and Teaching website. This will ensure students have access to information on how their fees are being spent by institutions, while also providing institutions with benchmarks against which to compare their performance.

The Government will undertake a review of the Australian Qualifications Framework (AQF) commencing in the second half of 2017, to be completed by 31 December 2018.

Will stakeholders be consulted in the review of the AQF?
Yes, stakeholders will be consulted throughout the review process. This is an integral part to the review – the Government needs to know and understand the issues facing the sector in relation to the AQF so that they can be addressed accordingly. Further details on how stakeholders can get involved will be available online in the coming months and education providers will be sent details of how to provide feedback to the review process. In the meantime, any queries can be sent to the AQF email inbox, AQFC@aqf.edu.au.

Will there be substantial changes to the AQF in the review?
This will not be clear until further into the review process when feedback is received from the sector on the types of issues of concern and how they can be best addressed. Adequate lead-time for will be provided for implementation of any changes so that students and education providers are not disadvantaged.

Will current qualifications become invalid if a revised AQF comes into place?
No. Current qualifications will still be valid, even if there are changes to the current AQF.