



Freedom and control: implications of student demand-driven university funding for student choice

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This presentation

- **Case study** of how university policy has affected student choice of courses in social professions
- **Implications** for freedom and control in HE
- **Programme** funded by Australian government to mitigate adverse affects

Background

- **Bradley Report (2008)** recommended changes to Australian university funding model from centrally planned to demand driven funding,
- Implemented in 2012

What changed

- **Previous central funding model:**
 - 1) institutions received subsidies for an agreed number of places for domestic students on each course, and
 - 2) allocation of funded places was capped –each degree had an allocation of government subsidised places
- **Replaced by current demand-driven:**
 - 1) funding provided to universities follows student course preferences, and
 - 2) no caps on numbers of subsidised places available to domestic students

Rationale for change

- Claims for funding change
 - 1) Universities would become **more responsive to student demand** and
 - 2) **Student choice** would be better served
- Did this happen?

Case study

- **Desk research** conducted into the availability of degrees in specialist social professions
- Examined areas such as disability studies, youth work, gerontology, and community mental health
- Identified options to mitigate unintended adverse outcomes of demand driven policy

Findings

In all disciplines

- Geographical availability of degrees was limited prior to 2012
- Availability of specialist degrees had been in decline since 2000, and
- Decline had been more rapid after 2012

Cause and effect?

- Decline in availability commenced prior to 2012
- Centrally planned funding slowed this trend
- Rate of decline increased after 2012
- Some degree courses have almost completely disappeared (disability studies, community mental health)

Funding model and competition

- Central planning
 - Directed funded places to areas of social and economic need
 - Allocated funding according to likely graduate employment and social need
 - Controlled degree mix within universities and across the sector
 - Resulted in scarcity of places (relative to student demand) in some disciplines

Funding model and competition

- “Demand-driven” funding
 - Allowed universities to decide their degree mix
 - Resulted in universities axing small specialist degrees in favour of profitable large-enrolment generic degrees
 - Abolished oversight of sector-wide degree mix and abolished links to social or economic need
 - Reduced diversity of courses and student degree choice overall
 - Exacerbated graduate unemployment

Why important?

- Limited geographic availability important because Australian domestic students reside at home
- **Imperfect market:** Unmet need for graduates in specialist social professions could not counter this decline (as would be argued under perfect competition)
- **Social need:** Australian Government social policy requires specialist graduates,
 - examples National Disability Insurance Scheme (NDIS), Domestic and Family Violence, Aging-in-place Age Care Policy, Closing the Gap; Youth Justice Reinvestment and Countering Violent Extremism

Freedom and control

- Raises issues about freedom and control
 - **whose freedom** should be prioritised (national interest, student preference, employability, knowledge for its own sake, university profit) and
 - **who decides** mix and balance of courses universities should offer (universities? government?)
- Students cannot choose degrees universities decide not to offer
- Universities do not act like ‘classical’ markets

What can be done?

- To mitigate unintended policy consequences
I was granted funding for an Australian Fellowship in 2016, to promote university collaboration
- *Achieving economic sustainability for niche social profession courses in the Australian higher education sector - a nationwide collaborative strategy*

Purposes of programme

- Purposes:
 - to improve the diversity of course offerings through inter-institutional collaboration,
 - to achieve change within the Australian higher education sector

Diversity through collaboration

- Precedent for collaboration
- Inter-institutional collaboration has been used successfully in a variety of disciplines (Dow, 2008; Goodrich & McCauley, 2009; Robertson & Shannon, 2009; Schmidt & Molkenstin, 2015).
- Will it be sustainable in current competitive environment?

Methods

- Action research approach
- Currently nine Australian universities
- Purpose:
 - Find out what collaboration arrangements can be successful in a competitive environment
 - Implement these arrangements

Progress to date

- Identified potential models for collaboration,
- Identified additional specialism at risk (career development)
- Next steps
 - find out how institutions perceive the benefits and barriers to collaboration in a competitive higher education environment, and
 - whether (and how) barriers to collaboration can be overcome
 - Implement collaboration

Summary and Conclusion

- Demand-driven funding model wrongly premised upon assumption that university sector operates as a classical market
- Demand-driven funding model allowed universities' self-interest to reduce degree diversity
- Has reduced student choice, and does not consider social or economic need or employability
- Project aims to partially counter this through inter-university collaboration
 - to extend student choice and
 - address graduate shortages

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