

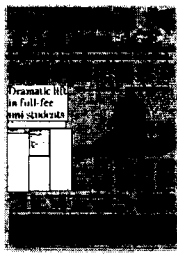
Domestic fee-paying students

Late in February there was considerable media comment on the enrolment of domestic undergraduate students. The comment was prompted by an article in The Age on 24 February 2005 indicating that there was a significant increase in the number of fee-paying students enrolling in University of Melbourne courses. Regrettably, some of the data included in a table published as part of the article was misleading - the table reported fee-based enrolments for the LLB as a single degree. Some 93% of students enrolling in Law enrol in double degree programs. When this is taken into account the proportion of commencing and total students enrolling in Law reduces from the high percentages reported in The Age around 22% and 17% respectively.

Copies of key press reports on this issue are at Attachment A.

There would appear to be value in re-stating the University's position and practices in relation to domestic fee-paying undergraduate students. Key facts are as follows:

- Commonwealth Government policy allows institutions to enrol up to 35% of the total number of domestic students as fee-paying students, providing its Funding Agreement cluster profile for Commonwealth supported places has been met.
- Melbourne will comply with its 2005 cluster profile obligations. Fee paying places will only be offered where the University has met its cluster profile for Commonwealth supported places.
- from 2005, Melbourne published for nearly all courses guaranteed minimum entry standards for both Commonwealth supported places and fee-paying places. These entry standards were approved by the Academic Board as fee-paying students are not offered a place if they have not achieved this standard. (Through consideration of disadvantage, a very small number of Access Melbourne applicants with scores below the minimum entry standard were offered a Commonwealth Supported place in 2005.)
- the minimum entry standards are set at high levels such that, each student accepting a fee-paying place would have been eligible for a Commonwealth supported place at another university.
- in 2004, Melbourne enrolled around 260 EFTSL commencing domestic fee-paying undergraduate students. On a year to date basis, the number is around 360 EFTSL. Direct comparisons are difficult because in 2004 an additional 130 students were enrolled in a fee-exempt, fee-paying place as a recipient of a Melbourne Scholarship; in 2005 Melbourne Scholarship students are being enrolled in a HECS-exempt Commonwealth supported place.
- domestic fee-paying undergraduate students will be eligible for conversion to a Commonwealth supported place if they achieve a H2A average over the equivalent of a full year's study in subjects related to the courses in which they are enrolled. An H2A average is a very high standard, the achievement of which is considered to warrant a domestic fee-based student being eligible for further consideration of a Commonwealth supported place.
- fee-paying students directly contribute to the quality of the University's teaching and learning programs. The per EFTSL funding the University receives in 2005 for Commonwealth supported places is less than \$13,000. The average funding per fee-paying EFTSL (domestic and international) exceeds \$20,000. The additional resourcing fee-based students provide, strengthens the Melbourne experience for all students.



Dramatic lift in full-fee uni students

Melbourne University leads a boom in enrolments of Victorian students paying full fees for their courses in 2005.

By **DAVID ROOD**
HIGHER EDUCATION REPORTER

THE number of Victorians paying for a university degree has soared, with more than half the students starting law at Melbourne University this year enrolling to pay full fees.

Fee-paying students will also fill 48 per cent of first-year places in optometry and 37 per cent in dentistry when classes begin at Melbourne on Monday.

The university has experienced an overall 38 per cent jump in the number of domestic fee-paying students, who will make up 8 per cent of total commencing undergraduate enrolments this year. Monash University has experienced a 12 per cent increase.

The universities have blamed decreasing Federal Government funding for their increasing reliance on revenue from fee-paying students.

Under the Howard Government's higher education changes, the maximum quota of fee-paying students has risen from 25 to 35 per cent of total enrolments in any course. Universities can enrol higher percentages of fee-paying students in individual years, provided the 35 per cent is not exceeded across an entire

course.

Students can obtain a full-fee place with marks below the entry score for a Commonwealth or

HECS place. The entry score for HECS law place at Melbourne was 99.4, while the fee-paying score was 96.

Opposition education spokeswoman Jenny Macklin said the student figures made a mockery of the Government's claims that no more than 35 per cent of students would pay full fees.

"People who can pay \$96,000 to study law at Melbourne University, now have more than twice the chance of getting in as those who don't have the money to pay full fees," she said.

HECS students will pay \$32,000 for a four-year law degree.

Ms Macklin said access to a university places should be based on academic merit, not bank balances. She warned that the Government could remove the limit on full-fee places when it assumed control of the Senate in July, leaving some courses with 100 per cent fee-paying students.

The Government's education

changes also allowed universities a 10 per cent quota of fee-paying domestic medical students from this year. Monash University has filled its 10 per cent quota, with Melbourne to reach the quota following its mid-year intake of students.

A fee-based medical degree costs \$160,000 at Monash and \$200,000 at Melbourne.

Law remains the most popular fee-paying degree, with 35 per cent of Monash commencing students paying full fees. Full-fee students also comprise 25 per cent of first year enrolments in pharmacy at Monash.

The figures are based on preliminary or "year to date" data.

The senior vice-principal at Melbourne University, Ian Marshman, said students were making informed decisions about their courses and utilising the new deferred loan scheme for fee places.

Mr Marshman attributed the increase in fee-paying students to three factors: the university introducing minimum entry scores for fee places, students in combined degrees splitting their enrolment between HECS and

CONTINUED NEWS 2





PAYING THE PRICE

Percentage of Melbourne University students who are paying fees.

	Starting	Total
Law	51.2%	33%
Optometry	48.3	16
Dental Science	37.2	16.3
Veterinary Science	35.1	24.7
Commerce	8.6	13.6
Arts	5.2	6.8

Domestic fee-paying students make up 8 per cent of starting Melbourne University students.

Dramatic lift in full-fee uni students

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fee places and guaranteed transfer from fee places to Commonwealth-funded places for students with marks averaging at least 75 per cent. "Some of our very best students are in fee-based places, opening up government-supported places for other students," he said.

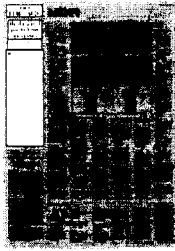
Mr Marshman said Melbourne was ahead of its target of \$20 million from domestic full-fee students.

A spokesman for federal

Education Minister Brendan Nelson said fee-paying students represented about 2 per cent of the total student population. "These places are only taken up after all HECS places are filled by students," he said. "Every single one of those full fee payers is paying their own way, often freeing up a HECS place that they otherwise would have been eligible for in another course."

The spokesman ruled out any increase to the 35 per cent quota of fee-paying students.

At Deakin University, full fees will be paid this year by 9 per cent of law students, 6.5 per cent of commerce students and almost 3 per cent of those in primary teaching. An RMIT University spokeswoman said it was too early to provide figures on the number of full-fee-paying students for 2005. But only a small increase was expected. Swinburne University is offering full-fee places for the first time, while La Trobe does not take domestic fee-paying students.



THE AGE

The dangers of pay-to-learn universities

The rise of fee-paying places raises serious concerns about equity and access to higher education.

WHEN lecture rooms open for the start of the university year on Monday, the character of Australian campuses will be fundamentally different. As *The Age* reported yesterday, there has been an explosion in the number of local fee-paying students under Howard Government changes allowing their quota to rise from 25 per cent to 35 per cent. That maximum is taken across a whole course. As a result, the figures for first-year students in some courses are startling. More than half the students starting a straight law degree at the University of Melbourne next week will be full-fee paying.

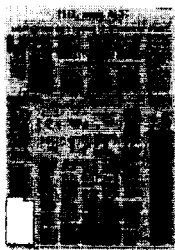
This represents a profound change in the nature of Australia's universities: we have moved from the Whitlam era of free university education to a system that allows more than one third of students to buy places. The entry score for fee-paying students is considerably less than for students paying Higher Education Contribution Scheme (HECS) fees. In the case of law at Melbourne, the score for a HECS place is 99.4, while the score for a fee-paying place is 96. The changes introduced by Education Minister Brendan Nelson were essentially a partial deregulation of universities, introducing them to the forces of the market.

Yesterday's figures give us an idea of just how the forces will work. While all universities had the option of increasing the quota of fee-paying places, the real test was always going to be which universities were able to attract the most pay-to-learn students. The selling

points were the quality of education offered, and the prestige attached to an institution. In Victoria's case, its two leading universities, Melbourne and Monash, were well-placed to be market leaders. Their prominence has now been confirmed, with Melbourne experiencing a 38 per cent increase and Monash 12 per cent in first-year fee-paying students.

The universities will understandably be pleased. As Commonwealth funding for the higher education sector has steadily fallen for more than a decade, administrators have been forced to find other sources of income — or perish. International students have been embraced as saviours, but as that market softens the fees of domestic students have assumed a greater importance.

Yet bigger issues than the bottom line are at stake. The first is that we now have two classes of university



Age

26/02/2005

Page: 8

Section: Letters

Region: Melbourne Circulation: 197000

Type: Capital City Daily

Size: 57.95 sq.cms.

Published: Daily

The full story

YOUR report includes a table showing that 51 per cent of students commencing in the single law degree this year and 33 per cent of total law students at the University of Melbourne are enrolled as fee-paying.

This is only part of the story. Around 93 per cent of law students undertake double degrees, in combination with arts, commerce, science, music, etc. When enrolments for all law degrees are put together, Australian fee-paying students are 22.2 per cent of commencing enrolments and 17.3 per cent of total enrolments. For 2005, Melbourne was allocated 805 HECS places for law. To date, the university has exceeded this quota by more than 19 students. Also, more than 20 per cent of commencing HECS law students have been admitted through Access Melbourne, a new scheme encouraging increased participation by students from under-represented schools or disadvantaged backgrounds.

All Australians enrolling as fee-paying law students had excellent year 12 results, with ENTER scores at or above the university's published guaranteed minimum score of 96.

Michael Crommelin, dean of law, University of Melbourne



Age

01/03/2005

Page: 14

Section: Letters

Region: Melbourne Circulation: 197000

Type: Capital City Daily

Size: 68.01 sq.cms.

Published: Daily

Pay-to-learn not for the dumb-but-rich

YOUR editorial "The dangers of pay-to-learn" (25/2) falsely assumes that students who choose to pay the full cost of their university degree do not have the academic ability to complete the course.

As you noted, fee-paying students doing law at Melbourne University had scores of 96. This would have secured them a HECS place in law at a number of other institutions across Victoria — Deakin and Victoria University among them — but they have chosen to pay full fees to study at Melbourne University.

Once all HECS places are filled, universities then have the option of allowing additional students who are academically eligible to self-fund their learning, at no expense to the taxpayer. The Government will fund almost 36,000 additional HECS places at university by 2008.

More than 20 per cent of first-year HECS students at Melbourne University have been admitted through the Access Melbourne Program, which boosts ENTER scores to allow students from disadvantaged backgrounds to attend the university.

These students receive preferential entry to a HECS place ahead of others with a higher score. If this is to be supported, why not Australians with higher scores paying their own way?

Brendan Nelson, federal Minister for Education, Science and Training, Canberra