Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000045

Senator Sarah Henderson provided in writing.

Correspondence with the University Accord Panel

Question

Please provide all correspondence from yourself or the University Accord Panel Members to the Minister and/or the Department in relation to the interim report of the Accord, and the final report of the Accord. This must include drafts of the interim report, comments on the interim report, and any edits or other amendments made before the submission of the interim report to the Minister.

Answer

The response to this question is provided by the Department of Education on behalf of Professor O'Kane.

Minister Clare has written to Professor O'Kane twice (attached) to:
- confirm her appointment as Chair of the Australian Universities Accord Panel (the panel)
- request the panel include in its work consideration of a recommendation from the Review of the Australian Research Council Act 2001.

Professor O'Kane wrote to Minister Clare on 30 June 2023 to present the panel's Australian Universities Accord Interim Report (attached).

Professor O'Kane and members of the panel are not privy to correspondence between the Department and the Minister.

Professor O'Kane is not privy to correspondence between other panel members and the Minister.

A dedicated team in the department provides secretariat services to the panel and its members. As part of this, secretariat officers are in constant communication with panel members to support their work. Releasing every piece of correspondence would interfere with the deliberative processes of the panel, undermine the ability of the panel to decide how it formulates and communicates its views, and would constitute an unreasonable diversion of resources at a critical time in the review process. It would also require consultation with many stakeholders on the release of correspondence they have provided to the secretariat or to members of the panel.

Professor Mary O'Kane AC

Dear Professor O'Kane

I am writing to advise you of your appointment as Chair of the Australian Universities Accord Panel (the Panel) to lead the Review of Australia's higher education system (the Review). Thank you for accepting this appointment and for your commitment to consultation and engagement as part of the role. Your insights will be of great value.

The membership of the Panel comprises yourself and:

- The Hon Jenny Macklin
- Ms Shemara Wikramanayake
- Professor Barney Glover AO
- Distinguished Professor Larissa Behrendt AO
- The Hon Fiona Nash
- Mr Tony Cook PSM, Australian Government Department of Education (ex officio)

Your appointment is for a fixed term, concluding 31 December 2023. In undertaking the Review, the Panel will be required to consider a range of issues such as accessibility, affordability, quality, and sustainability and make recommendations to provide a long-term plan for higher education in Australia. I encourage the Panel to be ambitious in making recommendations to drive the changes and actions to deliver future reform.

The work of the Panel is further detailed in the Terms of References (ToR) for the Review and for the Panel. Both documents are contained in the Instrument of Appointment, which also outlines the terms and conditions of your appointment. A copy of the Instrument is enclosed.

My Department will support you in your role as a panel member. Please contact Ms Kate Chipperfield, Assistant Secretary, Australian Universities Accord Branch, should you have any questions about the documents enclosed and arrangements for the Review. Ms Chipperfield can be contacted on ▮▮▮▮▮▮ or via email at ▮▮▮▮▮▮▮▮▮▮.

I appreciate you undertaking this work and look forward to receiving your advice.

JASON CLARE
14 / 11 / 2022
Encl.

The Hon Jason Clare MP
Minister for Education

Professor Mary O'Kane AC

By email:

Dear Professor O'Kane

I am writing to request that the Australian Universities Accord Panel include in its work consideration of a recommendation from the Review of the *Australian Research Council Act 2001* (ARC Review).

As you know, Professor Margaret Sheil AO and panel provided their independent report to me in April, which included 10 recommendations to drive renewed focus for the ARC. The review includes a recommendation concerning the evaluation of excellence and impact of Australian university research. I consider that a response to this recommendation should be considered in the context of the Accord Panel's broader considerations for the higher education sector.

The current Excellence in Research for Australia (ERA) and Engagement and Impact (EI) assessment exercises have played an important contribution in driving the quality of Australian higher education research through regular benchmarking of our universities research performance against world standards. However, the exercises are not without criticism from the sector, including the workload required for the current mode of delivery of the ERA assessment and the need to evolve the assessment process to provide greater insight for policy and funding purposes.

The ARC Review called for the immediate discontinuation of ERA and EI. As these assessments are the only mechanism available to government to monitor Australia's research endeavour and provide the community with confidence that the investments made in research are delivering for Australia, I ask that the Accord Panel work with my department to investigate options for a more efficient and dynamic system of assessment. In undertaking this work, I believe there is opportunity to consider a new approach which:

a) retains a process of benchmarking institutional performance

b) tests overall sector performance, and

c) identifies areas of strength aligned to national need.

I trust the Accord Panel will appreciate the importance of this exercise in supporting Australia's world-class research effort and the high-impact innovation jobs of the future.

JASON CLARE

15 / 4 / 2023

Subject:	FW: Australian Universities Accord Review Interim Report [SEC=OFFICIAL]
Attachments:	Australian Universities Accord - Interim Report .pdf

From: Mary O'Kane <████████████████████████>
Sent: Friday, June 30, 2023 3:36 PM
To: jason.clare.mp@aph.gov.au
Cc: ██████████ <█████████████████████>; ██████████ <██████████████████████>; ██████████ <███████████████████>; EDUC - DLO Clare <█████████████████>; COOK,Tony <█████████████████>; Jenny Macklin <███████████████████>; NASH,Fiona <█████████████████>; Larissa Behrendt <█████████████████>; Shemara Wikramanayake <█████████████████>; Barney Glover <███████████████>; RIMMER,Ben <█████████████████>; CHIPPERFIELD,Kate <█████████████████>
Subject: Australian Universities Accord Review Interim Report

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> **CAUTION:** This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Dear Minister

On behalf of the Australian Universities Accord Panel, I present our Interim Report (attached). I would like to record my appreciation to my Panel colleagues for their ideas, insights and hard work to get us to this point and for the staunch support from your Department, especially the Accord Taskforce, led with great dedication by Ms Kate Chipperfield.

The Interim Report includes five recommendations on priority actions. It also includes issues and ideas for further consideration – these are designed to promote public discussion and to inform further recommendations for inclusion in the Panel's Final Report.

We look forward to continuing our work and will present a Final Report in December.

Regards

Mary O'Kane

Sent from my iPad

Australian Universities Accord – Interim Report

30 June 2023

2023 Australian Universities Accord

The Hon. Jason Clare MP
Minister for Education
Parliament House
Canberra ACT 2600

Dear Minister

Interim Report – Australian Universities Accord

In November 2022, you appointed a panel to conduct a review to "drive lasting reform in Australia's higher education system ... to deliver a higher education system that meets the current and future needs of the nation, and targets to achieve this".

We now present the Interim Report of this Review.

The Interim Report makes five recommendations for priority action. It also raises a wide variety of issues to promote public discussion and debate to inform the panel's final recommendations.

We look forward to submitting our Final Report in December.

Yours sincerely

Mary O'Kane
Chair
Australian Universities Accord Review Panel
30 June 2023

On behalf of Larissa Behrendt, Barney Glover, Jenny Macklin, Fiona Nash, Ben Rimmer and Shemara Wikramanayake

TO ADD TO INSIDE FRONT COVER: The image of the echidna is to signify that there are 'spikey' ideas in the report. But it has another special symbolism. In the Eualeyai/Yuwaalaray nation of panel member Larissa Behrendt, the cultural story of the echidna (biggibilla) is one that speaks to the importance of sharing and reciprocity. These are values that have guided the Accord Panel's process and values.

The Review story at a glance…

The Accord process that has driven this Interim Report has been an important reminder of the fundamental public good of higher education. Higher education is transformative for individuals and for the nation, bringing countless social and economic benefits, as well as constituting one of our most crucial export industries. As the analysis in these pages demonstrates, there is simply no getting away from the stark fact that a high-quality and equitable higher education system is now essential.

In February 2023 the Review released a Discussion Paper that outlined the crucial role higher education must play if Australia is to achieve its full potential as an economy and society in the decades to come. To develop fresh ideas to advance this profoundly important objective, the Review has met with stakeholders from across higher education and the broader tertiary sector, along with governments, businesses, community and professional groups. It also received more than 300 submissions. The Review has engaged with a range of experts, including Emeritus Professor Bruce Chapman AO, the architect of the Higher Education Contribution Scheme (HECS), who has been assisting and will continue to advise the Review's considerations in relation to funding and the Higher Education Loan Program (HELP).

This Interim Report calls for five modest, sensible priority actions to be considered immediately and lists a number of larger scale issues for further policy consideration which will be discussed in the Final Report in December.

It is strongly believed that a high-quality and equitable higher education system is now a must-have for Australia and there can be no room for complacency. To successfully tackle our big national priorities – including lifting economic productivity, making a clean energy transition, building a caring society, meeting the defence and security challenges of our region, and strengthening our democratic culture – our higher education sector must become much, much stronger. Scientists, engineers, qualified carers and others will be needed in larger numbers. So will cutting-edge research that can be more easily absorbed by government and industry.

The sector currently lacks the institutional resilience and 'metabolic rate' required for this vital task. So much needs to be done and higher education policy must respond. System-wide change is essential and must get underway as soon as possible.

Achieving success won't be easy. Higher education is a big system and one whose direction is strongly contested. To be successful, change must have a predictable pathway that can unite stakeholders and be convincing to the wider population.

The overall goal of reform must be *growth for skills through greater equity*.

Too few Australians are beginning and completing qualifications. While it is predicted that 90% of jobs created over the next five years will require a post-secondary qualification and 50% a higher qualification, completions and demand for places are actually falling, with completions of a first bachelor degree at their lowest since 2014. This combined with existing skills shortages means a sense of urgency for change is needed.

Setting and meeting more ambitious enrolment and equity targets will be crucial and will require a significant increase in the number of people enrolling in higher education. To achieve 55% higher

education attainment, we would need around an additional 300,000 Commonwealth supported students in 2035 and an additional 900,000 Commonwealth supported students in 2050.

The answer lies in large part in increasing the higher education participation of Australians from underrepresented groups – including First Nations people, lower socio-economic groups, people with disability and those from rural, remote and outer suburban communities. To reach population parity, as much as 60% of this future enrolment increase in 2035 would need to come from these equity groups.

It also lies in removing disincentives to higher study, and the Review believes changes to student contribution amounts and HELP repayment arrangements are worthy of examination, as is doing more to make campuses safer places for students. As a starting point, the Jobs-ready Graduates (JRG) package needs to be redesigned before it causes long-term damage to Australian higher education by increasing the cost of gaining a qualification and penalising equity groups through its unfair and unnecessary 50% pass rule.

The potential for a student-centred, needs-based funding model (similar to that used for determining school funding) to encourage institutions to seek out currently underrepresented groups of students should also be explored.

While the measured standard of university teaching remains high, questions were raised about the quality of the teaching some domestic and international students are receiving. Greater priority must therefore be given to educational development and experimentation to produce more student-focused teaching. Across the world, teaching and learning are undergoing a profound shift, including a trend towards more online learning and more affordable courses, like microcredentials, tightly tailored to individual student need. Australia should be at the forefront of such developments.

The Review sees international education less as an industry and more as a crucial element of Australia's soft diplomacy, regional prosperity and development. This makes the quality of the education we provide even more important.

University research, which accounts for 36% of Australia's overall research and development (R&D) output, has become too reliant on uncertain international student funding and needs to be put on a sounder and more predictable footing. The JRG package has also reduced the funding available for research, adding another reason to replace it with something better.

Our higher education system itself may need to look different in the future.

It is the Review's belief that Australian higher education would benefit from having a wider range of complementary institutions differentiated by their unique missions. We need to create more innovation and diversity between institutions by expanding the scope of mission-based compacts and possible mission-based funding for universities and exploring the creation of a second 'national university' – a National Regional University – plus innovative university study centres with the task of attracting and making it easier for more Australians from rural, remote and outer suburban communities to study at university.

To oversee these big changes to Australia's higher education system, the Review suggests Government explore the possible merits of re-establishing a Tertiary Education Commission and how

it might work. And to help close the gap in First Nations participation in higher education, consideration should also be given to the creation of a First Nations Higher Education Council.

University governance could also be improved by drawing more members of governance bodies from people who deeply understand the functions of universities. One big priority of university governance should be making universities better employers, especially following recent serious incidents related to underpayment and insecure employment of academic staff.

The analysis and possible ways forward identified in this report are designed to stimulate discussion and debate. The Review invites feedback and insights through a further submissions process, to help refine directions for change and to ensure that the Review's final recommendations achieve the best possible outcomes for the future.

Therefore, this Interim Report, and the Final Report, of the Review should be seen as a platform for the Accord process to build consensus for change across the whole spectrum of higher education in ways that will benefit all Australians well into the future.

The Review thanks all those who have assisted its deliberations or made submissions. It also thanks the Accord Taskforce in the Department of Education for its energetic and diligent support.

The Review will deliver a Final Report in December 2023.

The Review acknowledges the Traditional Owners of the lands and waters on which Australians live, work and study, and pays respects to their Elders, past, present and emerging. Australia's First Nations peoples are the custodians of the world's oldest continuous cultures of learning and the passing down of knowledge. The Review also acknowledges the determination of First Nations leaders over generations to ensure that higher education is accessible to First Nations people, reflects knowledges and law, and supports research led by First Nations people about their community, land and culture.

Executive Summary

Why this Review?

We live in an era of profound intellectual, technological, economic and cultural change, in which complacency is dangerous and our egalitarian values need to be defended and renewed. In this environment, higher education is our best asset. It transforms lives and underpins our nation's wellbeing and security. It delivers education, research, community engagement and industrial capability. It powers social mobility, economic prosperity, security, creativity and innovation. It helps us understand the central place of First Nations people in our history – through the generous sharing of their knowledge, language, culture and sense of community and place. Higher education does all this and more by creating new knowledge, dispersing it widely and applying it to the many welcome and unwelcome challenges that confront us.

Higher education's mission is to make a better future possible for Australia.

How does it do this? It empowers Australians to pursue productive, creative and caring work that utilises the best available knowledge and skills; it allows Australian-created knowledge to play a useful part in the world's affairs; and it equips Australian industries and governments to build a secure, innovative, productive and inclusive economy. Just as a university degree leads to higher average wages and wider opportunities for individuals, it leads to increased prosperity and social cohesion for our country.

A high-quality and equitable higher education system is now essential for Australia.

Australian universities and other higher education providers are high performing, enduring and capable organisations. They educate a sizeable proportion of our population and undertake research on a globally significant scale. The sector is characterised by excellence, talent and commitment from staff, students and university leaders. But in this rapidly changing world, in which higher education gains new importance every day, there can be no room for inertia.

Many important problems need to be addressed, some urgently.

- While the demand for graduates grows ever stronger, too few Australians are going to university. It is projected that over the next five years more than 90% of new jobs will require post-school qualifications, with over 50% requiring a bachelor degree or higher.[1]

- Preliminary analysis prepared by BIS Oxford Economics (BIS OE) for the Review suggests that by around 2050 approximately 55% of all jobs will require higher education qualifications.

- This means that the system will need to grow significantly, with implications for the number, location and capital infrastructure of higher education institutions.

- Despite sustained efforts over many years, universities suffer from social inequity, preventing talented people from attaining life-changing qualifications and depriving our nation of crucial knowledge and skills. First Nations students and those from low socio-

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[1] National Skills Commission (NSC), *Employment outlook (five years to November 2026)*, NSC, Australian Government, 2021, accessed 7 June 2023.

economic (low SES) backgrounds and students with disability participate in higher education at far lower rates than they should.

- Location affects higher educational opportunities. People from regional, rural, remote and outer suburban areas can find it difficult to access higher education.

- While the importance of lifelong learning has been well understood for some time, our system needs to be better at providing a more flexible and adaptive approach to learning.

- Persistent workforce shortages in crucial areas expose a historical lack of forward planning relating to jobs and skills.

- Australia's research excellence is well known, but it is built on uncertain financial foundations. These threaten Australia's sovereign capability and cause us to miss opportunities to adapt, develop and localise knowledge to the benefit of industry, communities and the wider economy. Perverse financial incentives can cause institutions to make funding-driven rather than mission-driven choices.

- Employment conditions for university staff are often precarious, impairing future teaching and knowledge creation.

- Students sometimes experience poor quality learning and teaching and encounter risks to their safety and wellbeing. Support services are often insufficient to enable them to achieve their best.

- The recent Job-ready Graduates (JRG) changes to funding and finance arrangements risk damaging the sector if left unaddressed.

Only by addressing these issues and producing more skilled people and a stronger research capacity can we address the big challenges ahead of us: making the clean energy transition; building a care economy to meet ageing, early childhood, and disability support needs; addressing our rapidly changing security environment; and achieving national reconciliation. To be successful in these and other endeavours, Australia's universities and TAFEs will have to produce many more engineers, qualified carers, high-level technicians and others.

In short, the Australian higher education sector lacks the institutional resilience and 'metabolic rate' needed to prepare our nation for the future. There is so much that needs to be done and higher education policy must respond.

The scope of the Review

This Review, the first since the 2008 *Review of Australian Higher Education* led by the late Professor Denise Bradley AC (the Bradley Review), examines the vital role of higher education in contributing to Australia's future.

The Accord Terms of Reference are broad. They ask the Review to consider current and future skills needs, learning and teaching, access and opportunity, research, innovation, international education, funding and regulatory settings, employment conditions and strengthening engagement between the higher education and vocational education and training (VET) sectors.

The Review has benefited from many high-quality, thoughtful submissions, and from engagement with a wide range of students, staff, university leaders and stakeholders. Consistent with the Accord

Terms of Reference and the Review's approach, this consultation and engagement will continue as the process progresses towards the Final Report due in December 2023.

The role of the Interim Report

The Terms of Reference require an Interim Report from the Review on priority actions, and this forms the first part of this document.

The second, more exploratory part of the Interim Report, sets out the Review's initial views about larger issues that will appear in the Final Report. The Review's conclusions will follow further consultations, submissions, studies and testing. Engagement with the sector and elsewhere is ongoing.

Part 1: Immediate actions

The Review believes that bold, long-term change is required to fulfil the mission of higher education in Australia. Change in the sector must be significant. Complacency cannot be tolerated.

The Review's priority actions focus on a limited number of proposals that address immediate problems, build momentum for wider change, and can be implemented while larger-scale and system-wide governance and funding issues are being resolved. These actions would start to grow student numbers and the higher education system through increased participation and engagement from equity cohorts.

Several immediate issues stand out for urgent action. University funding needs greater certainty, higher education is too unequal, the Closing the Gap target for First Nations tertiary attainment still needs to be narrowed and closed, and the public's concerns about student safety and staff underpayment need to be addressed. This Interim Report offers five modest, sensible priority actions to address these immediate issues. The Review's Final Report will address them further, following wider consultation.

Priority Action 1: **Extend visible, local access to tertiary education by creating further Regional University Centres (RUCs) and establish a similar concept for suburban/metropolitan locations.**

> *RUCs have been found to be effective at improving student participation, retention and completion rates in regional and remote areas and should be expanded.*
>
> *The Review believes similar place-based and community-led solutions – New Tertiary Study Hubs – could improve participation, retention and completion for students in outer metropolitan and peri-urban areas, especially those from low SES backgrounds. These Hubs should be based on the specific needs of each local communitiy and have tailored wraparound support to help students succeed.*

Priority Action 2: **Cease the 50% pass rule, given its poor equity impacts, and require increased reporting on student progress.**

> *Introduced as part of the JRG package, the 50% pass rule disproportionately disadvantages students from equity backgrounds. Enhanced reporting on student progress will increase the focus on improving the success rates of at-risk students. While the Review believes other aspects of the JRG package need reform, this change should proceed at the first possible opportunity.*

Priority Action 3: **Ensure that all First Nations students are eligible for a funded place at university, by extending demand driven funding to metropolitan First Nations students.**

> *Consistent with the principle behind the introduction of guaranteed funding for First Nations students from regional and remote areas in 2021, this funding arrangement should apply to all First Nations people undertaking higher education, including in metropolitan areas.*

Priority Action 4: **Provide funding certainty, through the extension of the Higher Education Continuity Guarantee into 2024 and 2025, to minimise the risk of unnecessary structural adjustment to the sector. Interim funding arrangements must prioritise the delivery of supports for equity students to accelerate reform towards a high equity, high participation system.**

> *Universities' and eligible higher education providers' Commonwealth Grant Scheme (CGS) funding is currently guaranteed to December 2023 through the Higher Education Continuity Guarantee (HECG). The Final Report will propose new funding arrangements for consideration by Government. Extending the guarantee into 2024 will avoid unnecessary disruption to staff, students and the sector.*

> *The Review recommends that universities and providers should be expected to direct any funding resulting from this guarantee to support greater equity outcomes. This should be directed towards a range of assistance, such as increased support for students in enabling courses, improved academic advice and learning support, wraparound support and services (such as mental health services), scholarships or other equity-related services.*

Priority Action 5: **Through National Cabinet, immediately engage with state and territory governments and universities to improve university governance, particularly focusing on:**
- **universities being good employers**
- **student and staff safety**
- **membership of governing bodies, including ensuring additional involvement of people with expertise in the business of universities.**

> *Australian governments should work together to strengthen university governing boards by rebalancing their composition to put greater emphasis on higher education expertise. Governing bodies must as a priority do more to improve student and staff wellbeing and become exemplary employers.*

Part 2: Areas for further consideration

The Review is considering three main categories: (1) evolving the mission for higher education; (2) creating the foundations for a high functioning national system; and (3) building an enduring Accord process. The remainder of this Interim Report outlines the results of the Review's discussions and preliminary findings to date on these issues. Final conclusions and recommendations will appear in the Final Report.

From the start, the Review wants to be clear that it seeks to build a big and broad platform for change across the entire spectrum of higher education in ways that will benefit all Australians.

Evolving the mission for higher education

A.   Putting First Nations at the heart of Australia's higher education system

First Nations students, culture, knowledge, research and communities should be at the heart of the Australian system of higher education. Participation in higher education is a pathway to success for First Nations families and their communities, and building First Nations cultures and knowledge more strongly into the fabric of our national institutions will enrich our whole society.

The knowledge, understanding and power inherent in higher education will help build a nation of reconciliation and equality.

> For these reasons, the Review is giving further consideration to the following policy areas:
>
> a) creating a new First Nations Higher Education Council to give voice to the needs, aspirations and know-how of community
> b) moving towards a self-determined approach to national funding and policy settings in relation to First Nations students, employment, teaching, research and engagement, with universities mirroring this approach within their institutions, as is the case in some institutions today
> c) supporting a First Nations-led review of access, participation and outcomes for First Nations students and staff, research, teaching, use of First Nations knowledges, and First Nations governance and leadership within universities
> d) enhancing research capability for First Nations knowledges and for collaboration and partnerships between First Nations communities, governments, universities and industry.

B. More students enrolled in higher education, a fair system that ensures access and attainment, and a larger system that better meets national jobs and skills needs

Australia needs to significantly increase tertiary education participation and attainment levels to create a stronger economy and a fairer society over the next three decades.

The Australian higher education system includes domestic students enrolled in both Commonwealth supported and full-fee paying places across a range of higher education institutions. The bulk of heavy lifting in growing higher education domestic enrolments will need to be through increased Commonwealth supported enrolments. The latest data indicates that Australian universities enrol around 900,000 Commonwealth supported students, including 760,000 bachelor students.

Based on Departmental projections, to reach 55% attainment for people aged 25 to 34 years by 2050, the Australian higher education system would need to have at least 1.2 million Commonwealth supported students in 2035 and 1.8 million in 2050. This requires the higher education system to grow by at least 300,000 Commonwealth supported students by 2035 and an additional 900,000 Commonwealth supported students by 2050.

While these projections focus on attainment for people aged 25 to 34 years, the changing nature of the workforce will mean we can also expect increased participation and attainment from older age cohorts as they upskill, reskill, or even gain their first qualification.

Enrolling more students will also require substantial growth in participation from groups currently underrepresented in Australian higher education. Given the increase needed in 2035, and to meet population parity, around 60% of the additional students in the system will need to be from low SES backgrounds, around 53% from regional and remote areas, and around 11% would need to be First Nations students.

Our goal must be *growth for skills through greater equity*.

More ambitious enrolment and equity targets will be crucial.

> For these reasons, the Review is giving further consideration to the following policy areas:
>
> a) setting targets for tertiary education participation and attainment, including for higher education, through consultation with Jobs and Skills Australia (JSA) and the VET sector
> b) setting targets to raise First Nations participation and completion rates in higher education
> c) creating specific higher education participation targets for students from underrepresented backgrounds and equity groups to achieve parity by 2035. These groups will include students from low socio-economic, regional, rural and remote backgrounds and students with a disability
> d) developing a universal learning entitlement to ensure Australians can gain the qualifications and credentials as they need or desire
> e) as a priority element of the universal learning entitlement, ensuring that all students from equity cohorts are eligible for a funded place at university.

All such targets must be tightly monitored to ensure accountability and delivery. Long-term targets could be supported by short-term step-change targets, disaggregated by state, region, provider and other relevant criteria.

C. Meeting Australia's future skills needs

To meet Australia's future skills and workforce needs, the Review is investigating further actions to improve the way skills are developed, described and recognised within a more integrated tertiary education system.

Australia's skills needs will only be met if the higher education system and an expanded VET system, with TAFE at its core, work together within a more integrated system to deliver the flexible, transferable skills people want and need.

A national skills passport provides a possible way to do this – by enabling Australians to have their full range of qualifications, microcredentials, prior learning, workplace experience and general capabilities recognised across the education and training system and in the employment market.

> For these reasons, the Review is giving further consideration to the following policy areas:
>
> a) new policy levers to enhance capability across the tertiary education sector, enabling it to respond rapidly to Australia's skills needs and deliver the necessary numbers of graduates with professional, disciplinary and high order generic skills
> b) the creation of a universal learning entitlement that helps all Australians access high-quality tertiary education and makes lifelong learning a reality
> c) examining new and effective mechanisms for rapid reskilling, including microcredentials
> d) improving the integration of higher education and VET to create new types of qualifications – starting in areas of national priority – like clean energy, the care economy, and defence
> e) improving skills pathways by creating qualifications that are more modular, stackable and transferable between institutions and institution types
> f) addressing barriers that prevent VET and higher education working together, especially in courses and institutions that involve both sectors

g) using arrangements between industry, unions and governments to progress the recommendations of the *Review of the Australian Qualifications Framework* (AQF) – this should be a matter of priority

h) extending CSPs at some AQF levels to the TAFE sector in areas of crucial skill need

i) improving the Recognition of Prior Learning (RPL)[2] and relevant work experience through a national skills passport or similar mechanism

j) increasing the absorptive capacity of new knowledge by Australian employers through greater collaboration with universities

k) improving Work Integrated Learning (WIL) and placements by providing participating students with better incentives and financial support

l) establishing a national jobs broker system, to assist students to find work placements and part-time jobs in their fields of study.

D. Equity in participation, access and opportunity

Australia aspires to be a nation that is equitable and provides equal opportunity for all members of society. Education – and higher education – are powerful vehicles for transformative socio-economic change at individual, community and societal levels. It so happens we can't progress without addressing equity in participation – it is not only desirable, but also necessary.

To gain the skilled people we need for the future, we must significantly increase the participation of students from underrepresented groups – First Nations students, students from equity cohorts and regional, regional, remote and outer suburban locations. Existing policies are not working well enough. Australia's signature policy, the Higher Education Loan Program (HELP), is now over 30 years old and needs a refresh. As a result of this lack of policy attention, access to student income support is declining, and services that might support student success are lacking.

New ideas must be explored to prevent excessive debt and rising student cost of living pressures from discouraging people of all ages from pursuing higher education and completing their qualifications. This should include giving consideration to revising student contribution amounts and HELP repayment arrangements and providing remuneration for mandatory work placements.

For these reasons, the Review is giving consideration to the following policy areas:

a) encouraging students from underrepresented groups to aspire to higher education and fulfil their potential

b) making it easier for students to enter, exit and return to higher education through a consistent national approach to tertiary education admission and the recognition of existing learning experience and credentials

c) increasing access to preparatory and enabling programs to provide more pathways into higher education

d) providing scaffolded learning support to help students achieve their qualification in minimum time and with minimum debt

e) through a national jobs broker system, helping students find part-time work in their areas of study

f) exploring the potential for a student-centred, needs-based funding model (similar to that used for determining school funding) that recognises the additional costs involved in teaching students from equity groups and underrepresented communities

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[2] Recognition of prior learning (RPL) is when an individual's previous training, work experience and/or study is recognised and counted toward their qualification as credit.

g) reducing the cost of living barriers to higher education through improved income support measures and more opportunities for part-time study

h) revising student contribution amounts and HELP repayment arrangements to ensure students are not being overly burdened with debt and that repayment arrangements are fair and integrate more effectively with the wider tax and social security system.

E. Excellence in learning, teaching and student experience

The Review heard that learning and teaching approaches worldwide are undergoing a profound shift, including a trend to more affordable courses that are more tightly tailored to individual student need. A glimpse of this was provided during the COVID-19 pandemic when learning rapidly moved online. Greater priority now needs to be given to educational development and experimentation.

The Review also heard that learning and teaching for both domestic and international students is sometimes falling short of students' expectations.

For these reasons, the Review is giving further consideration to the following policy areas:

a) encouraging and rewarding effective learning and teaching practices, including best practice for digital and hybrid delivery modes and use of new technologies and structures, particularly artificial intelligence and knowledge repositories

b) enhancing the professional development of academic staff in teaching, especially for those newly employed to teach

c) promoting collaboration and shared best practice in learning and teaching

d) ensuring the system encourages improvements in quality learning and teaching, responds to new curriculum approaches that take account of the pace of new knowledge production, and provides for appropriate teaching infrastructure.

F. Fostering international engagement

The Review is considering how best to create a sustainable and globally connected international education sector that is central to the mission of institutions, that benefits Australia and its regions, that builds country to country connections through teaching and research, and that remains internationally competitive for decades to come.

The Review sees international education less as an industry and more as a crucial element of Australia's soft diplomacy, regional prosperity and development. This makes the quality of the education we provide even more important.

For these reasons, the Review is giving further consideration to the following policy areas:

a) ensuring that international education supports broader Australian foreign policy objectives, for example, strengthening relationships with India and the Pacific
b) making international education more embedded within the mission of the Australian tertiary education system and to the mission and purpose of individual institutions
c) ensuring the integrity and accessibility of visa pathways for international students
d) promoting flexibility and innovation in international education, including digital and offshore delivery options
e) providing a high-quality university experience for international students
f) improving overseas skills and qualification recognition and expanding international professional qualification accords
g) promoting international commercial use of Australian research capability
h) building closer connections between institutions and their international alumni.

G. Serving our communities

Higher education providers play a crucial role in their communities, particularly in parts of Australia beyond the inner suburbs, delivering local jobs, building economic and social connections, providing relevant applied research and bringing many other tangible benefits.

For these reasons, the Review is giving further consideration to the following policy areas:

a) recognising and formalising the crucial role institutions play in their communities through the Accord process and mission-based compacts
b) the creation of stronger links between industry and education, particularly in regional areas and other areas with low participation and attainment rates
c) encouraging institutions to draw on the strengths of their alumni communities.

H. Research, innovation and research training

Submissions argued that Australia should strengthen its higher education research, and encourage its greater use by government, industry and the community. Australia's R&D reputation depends to a large extent on strong performance in R&D by universities, and this strong performance could benefit from sharper focus in areas where research capability is closely connected to sovereign risk.

A concern raised repeatedly in the Review's consultations and submissions was the unhealthy degree to which core research capability in Australia's universities is funded through volatile international education revenue. Research capability needs to be protected and the sharing and translation of university research improved.

Many have been arguing for some time that research funding needs to be put on a sounder and more predictable footing.

To protect research basics, the Review is giving further consideration to the following policy areas:

a) developing a funding mechanism that explicitly recognises the importance of research, innovation and scholarship
b) how best to ensure sufficient funding for the Australian university research sector to meet national research priorities
c) moving over time to ensure National Competitive Grants cover the full cost of undertaking research
d) developing a national, holistic policy for research training
e) improving the measurement of the quality and impact of Australian research, including by deploying advances in data science to develop a 'light touch' automated metrics-based research quality assessment system
f) making the cost of university R&D, innovation and scholarship activities across all universities transparent
g) ensuring ongoing investment in critical research infrastructure and its maintenance.

To share and translate university research more effectively, the Review is giving further consideration to the following policy areas:

a) developing metrics to understand industry/university and government/university research collaboration and translation
b) encouraging government to become an exemplary user of university research, using it to address nationally significant complex problems and enhance sovereign capabilities and becoming an example to industry on how to use university research capability
c) exploring mechanisms that keep universities, industry and government informed of nationally significant research problems, and of nationally significant research capabilities in the higher education system
d) extending the use of research brokers and research challenge mechanisms and bodies
e) encouraging academic consulting, and improving university capability to do such work
f) establishing a target for the number of PhD candidates employed in industry undertaking a PhD relevant to their firm.

Creating the foundations of a high functioning national system

A. A coherent national tertiary system

The Review is exploring the need for stronger, adaptable and responsive governance and structures that help to build a coherent national tertiary education system. The Review considers that Australian higher education would benefit from having a wider range of complementary institutions differentiated by their unique missions.

The Review notes that Australian higher education comprises a big and at times strongly contested system. Changing it requires a predicable pathway and stable funding system capable of uniting stakeholders and convincing them that substantial improvements are possible. There is growing discussion in the sector of the possible merits of re-establishing a Tertiary Education Commission. The Review is considering how such a commission might work.

Other large changes to the structure of the system are also being investigated, including how we create more innovation and diversity between institutions by expanding the scope of mission-based compacts and possible mission-based funding for universities and exploring the creation of a second 'national university' – a National Regional University.

To develop a more coherent tertiary education system, the Review is giving further consideration to the following policy areas:

a) the benefits of establishing a new national body, a Tertiary Education Commission, working with the Minister and Department, which could:
   i. be based on the principles of independence and expert decision-making to provide oversight, coordination and expert advice to the higher education sector
   ii. lead relevant analysis, including with other agencies, to provide advice to government on policy and funding settings to enhance student, teaching and research outcomes
   iii. function as a pricing authority for Commonwealth higher education funding for the purposes of a potential student-centred, needs-based funding model
   iv. negotiate new mission-based compacts with institutions to deliver against local, regional and national priorities and needs
   v. over time, and in partnership with the states and territories, be expanded from higher education to encompass the whole tertiary education system to pursue greater opportunities for alignment and collaboration between the higher education and VET sectors.
b) how to facilitate and encourage change and evolution in the type, diversity, size and number of tertiary education institutions, including:
   i. the merits of a new National Regional University as Australia's second national university
   ii. encouraging and incentivising new models of delivery and collaboration to increase tertiary education and research provision, particularly in regional and under-serviced areas
   iii. facilitating the emergence of institutions specialising to a greater or lesser extent in teaching or research
c) ensuring tertiary education regulation, including the role of the Tertiary Education Quality and Standards Agency (TEQSA), enables innovation in the tertiary education system
d) continually working towards an aligned tertiary education system, including encouraging parity of esteem between the VET and higher education sectors.

B. Strengthening institutional governance

To build the workforce necessary to drive teaching, research and community engagement priorities, higher education institutions need to be better and safer places to work, consistently and reliably meeting workplace obligations. The Review acknowledges that great progress towards this has been made by many institutions, but that more obviously needs to be done. Staff and student safety, including in relation to sexual assault and sexual harassment, requires concerted action.

University governance in general needs reforming to more effectively embed collaboration, include First Nations leadership and expertise, and include more leaders in teaching and research.

For these reasons, the Review is giving further consideration to the following policy areas:

a) improving student wellbeing and safety, including empowering students on matters that affect them
b) improving operational practices and supporting governing bodies to improve their effectiveness
c) enhancing wellbeing for staff, and appropriate workforce arrangements
d) ensuring higher education institutions develop appropriate governance frameworks to avoid underpayment of staff

e) through an ongoing Accord process, bringing together staff, unions, institutions and governments to consider policy settings, awards and institutional workforce structures
f) providing explicit support for tutors, research trainees and others on the boundary between student and staff status, and enhancing career stability for early career academic staff
g) considering improvements to the voluntary national code of practice and governance for university councils, and council composition to recognise the importance of expertise and leadership in teaching and research
h) examining whether current reporting arrangements demonstrate effective and efficient use of government funds by higher education institutions
i) considering development of a national student charter to ensure a consistent national approach to the welfare, safety and wellbeing of all students.

C. Sustainable funding and financing

The success of the Australian higher education system relies on a secure, predictable, enduring and sustainable funding system. Over the past 15 years, there have been a number of significant changes to the funding system, including the introduction and subsequent removal of demand driven funding.

The Review heard significant concerns about these rapid policy shifts, including the JRG package, which had a significant effect on student fees and funding for teaching, learning and research. JRG introduced increases in student contributions of 113% for students in social sciences, humanities and communications, which have meant higher average increases for females and First Nations students.[3]

The 50% pass rule implemented through JRG is also causing undue stress for many students. Most of the students affected by this rule are from underrepresented groups, including First Nations students, who are around twice as likely to be affected as other students.

It is clear the funding system, as changed through the JRG package, needs to be redesigned before it causes long-term and entrenched damage to Australian higher education.

The Accord process is examining these recent policy changes and the need for significant improvement in the way funding, student contributions and HELP repayments operate.

It is also investigating proposals to support infrastructure needs and other national priorities. This could include considering a levy on international student fee income.

For these reasons, the Review is giving further consideration to the following policy areas:

a) establishing a framework of strong values and clear principles for public and private investment that underpins the higher education funding system
b) how best to design a funding model which provides longer-term stability, that is dynamic in responding to changes in student mix and demand, and that protects against rapid shifts in funding that are beyond the capacity of institutions to adapt
c) how to establish a new funding model for higher education, that:
   i. is student-centred, needs-based, ensuring the funding available is sufficient to provide access to high-quality higher education for students from equity backgrounds and from different locations

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[3] Department of Education, *Higher Education Statistics –Student Data* [unpublished data], Department of Education, Canberra, 2023.

ii. helps achieve attainment and equity targets, and recognises the different costs of delivery in regional Australia

iii. strengthens Australia's higher education research capacity

d) developing a stronger understanding of the true costs of the core activities in higher education, increasing transparency and improving pricing, quality, performance and efficiency

e) ensuring the ongoing affordability of higher education for students, including adjusting student contributions instituted by the JRG package

f) examining changes to HELP to make it fairer and support growth in participation

g) identifying ways to support and maintain critical teaching and research infrastructure

h) reducing the extent to which core higher education functions rely on funding from insecure income streams, and decreasing the extent of cross-subsidisation throughout the system

i) examining a funding mechanism such as a levy on international student fee income. Such a mechanism could provide insurance against future economic, policy or other shocks, or fund national and sector priorities such as infrastructure and research.

Building an enduring Accord

Delivering the kinds of opportunities envisaged in this Interim Report, and ongoing cycles of continuous improvement and sector development, will require collaborative effort across a range of stakeholders including universities themselves, governments, unions, staff, students, business representatives and community organisations. This could take the form of an ongoing Accord to ensure Australia's higher education sector continues to grow and develop, as part of a broader tertiary education system and as part of a wider innovation and research ecosystem. The Review is considering this area further as it prepares for its Final Report.

The Review will be offering its Final Report as a platform to gain consensus for change across the whole spectrum of higher education in a way that will benefit Australians well into the future.

Next steps and further engagement

The Review considers that bold reform will be required, which means that substantive debate, discussion and dialogue will be important as it continues its task. The Review has chosen to present ideas and areas for further consideration to continue engagement, test the Review's thinking and build consensus for change. In this spirit, the Review now welcomes feedback, ideas and insights through a further submission process.

Submissions in response to this Interim Report will help to ensure that the Review's final recommendations provide clear direction for change and can achieve the best possible outcomes for the future.

For further information on how to make a submission, see the Accord website.

Bold reform will require ongoing, collegiate and constructive leadership. In an environment where fiscal resources are limited, and where human and institutional capacity has constraints, reform must be prioritised and sequenced over time, and individual institutions and stakeholders must be encouraged to put overall change in the higher education sector above narrower sectional interests. The Review seeks feedback on its views about areas for further consideration, including how best to build and sustain a successful and enduring reform agenda.

The Review also looks forward to further engagement and dialogue with other reform processes underway, including the *Employment White Paper* commissioned by the Treasurer, The Hon Jim Chalmers MP, work led by The Hon Brendan O'Connor MP to build a new *National Skills Agreement*

between the Australian Government and the states and territories, the *Review to Inform a Better and Fairer School System*, and the Productivity Commission *Inquiry into Australia's Early Childhood Education and Care*.

During the remainder of 2023, there will be further opportunities to engage with the Review, provide feedback, and participate in debate. The Universities Accord Ministerial Reference Group will play a key role during this period. Information on further engagement opportunities will be made available on the Australian Universities Accord website as the year progresses.

A vision for Australia's future higher education system

To provide greater clarity about an overall approach to reform, the Review offers the following vision for the future of Australian higher education for consideration. This vision will develop and change through the remaining period of the Review, including in response to feedback through the consultation process.

By 2035…

Targets for attainment and participation have been met and recommendations made by the Review have helped Australia to become a highly skilled, productive and knowledgeable nation. Higher education is creating opportunities for socio-economic transformation to people from all sectors of the Australian community. We are producing enough graduates to meet our skills needs and drive a globally competitive, knowledge-intense economy. The great majority of the community now has tertiary-level skills and qualifications, and Australia sits within the top group of the Organisation for Economic Co-operation and Development (OECD) nations in terms of attainment and performance. There is population parity in Australian higher education participation by equity groups.

The higher education sector, working closely in partnership with the VET sector in the tertiary education system, has expanded significantly to deliver this. The sector has become adept at ensuring its graduates have generic skills of a high order. It has developed ways to adapt its courses quickly and offer new styles of courses, including flexible stackable microcredentials, to cover high-end skills when there is demand. It is also good at meeting the needs of business and industry by providing much needed work experience through effective placement and WIL arrangements at scale.

There is strong scaffolding in place for those requiring academic and other support, helping all students access, move through and succeed in Australia's tertiary system wherever possible, and without financial or other forms of hardship. First Nations students who seek higher education to transform their lives and communities have the opportunity to do so and to find a place in Australia's workforce. This is also true for many equity graduates, who now play senior leadership roles across industry, community and the public sector. Through these alumni, but also through industry and the cultural sectors, universities are vitally connected to their communities. The ongoing involvement of higher education in the community has been vital to the nation's social fabric, particularly in the regions.

The quality of learning and teaching has been, and continues to be, enhanced by technological developments and an approach to pedagogical change that is evidence-based, data-driven and student-focused. The sector effectively collaborates to innovate and share best-practice teaching methodologies, knowledge repositories, and evolving, contemporary curricula. The commitment of academics to high-quality course offerings, teaching excellence and innovative practice, is matched by the esteem in which they are held by their students, institutions and the wider community. This is reflected in attractive career pathways and opportunities for professional development. Increased investment in workforce, teaching and research capability has enabled effective recruitment and retention of talented staff, and Australian universities are seen as exemplary employers and attractive places to work.

A stronger, more engaged workforce and increased investment have also seen universities become even better at leveraging their research knowledge and expertise. Research expertise is built on stronger financial foundations, allowing more stable employment and ensuring continued sovereign capability. As a result, Australia is very strong at solving complex and wicked problems – we now rank in the top ten nations on the Global Innovation Index. This success is underpinned by continuing strong fundamentals in basic, strategic basic and applied research and a newfound ability to translate innovation inputs to outputs. Australian Governments and industry have become exemplary users of Australia's excellent university research capacity and are increasingly using universities for consulting and advice. Australia's regional universities are important participants in the national research effort, and regional communities benefit from local, applied research with real impact.

Our long-term success in joint research with neighbouring countries and international research collaborations has become even stronger, and many firms from around Asia are commissioning research from Australian universities. Australia's international education sector has helped Australia pursue its global priorities, including through soft diplomacy. Our deep connections and partnerships with a range of countries have grown investment, trade, and knowledge exchange, and reinforced our strong reputation as a global leader in international education.

Education of international students is highly valued as a core component of the mission of the sector and continues to be a significant source of revenue for Australian universities. There is increased diversity of source markets and delivery methods. Educational enrolment and pathways are aligned with the migration settings and visa system to ensure that international students can contribute to Australia's skills needs and participate successfully in a growing international community. Australian tertiary education providers have also extended their success in providing transnational education services and partnerships, especially across the Indo-Pacific region.

The sector's success in delivering skills, knowledge and equity is underpinned by enduring and stable funding and governance architecture. Governing bodies, notably university councils, proactively foster positive institutional cultures that are transparent and able to deliver strategically, whilst retaining a strong commitment to staff satisfaction and student experience, safety, and wellbeing. Councils comprise members with business expertise, but also those who know and appreciate the unique characteristics of higher education. Students are recognised as integral stakeholders and treated as partners in decision-making processes. The obligations and needs of students are embedded in the day-to-day operations and strategies of institutions.

Policy, funding and regulatory settings align across governments, regulators and industry bodies, enabling institutions to specialise in and deliver to their areas of strength and advantage. While higher education and VET institutions continue to be identified by their highly distinct missions and characteristics, the tertiary education sector works effectively as a whole system to meet the education, skills, and research needs of the nation.

A new system of national governance has driven greater alignment across the tertiary education system. HELP remains a major feature of higher education funding, but the reforms arising from the Accord review process have meant that it is seen as fairer, simpler and more equitable.

The learning and teaching funding system has helped ensure that Australia produces the graduates it needs in the fields and geographical locations they are most needed, while also ensuring equity of opportunity for all by transforming lives and communities. Funding relates to national skills needs, student characteristics and choices, rather than historical allocations. Universities receive sufficient

funding to enable their ongoing financial health and continued high-quality delivery, including to provide appropriate scaffolding support to students who were once underrepresented in the system.

Higher education research is funded sustainably ensuring a strong research and innovation base for Australia with adequate workforce capacity and infrastructure, underpinning national and international collaboration. Governments and industry make heavy use of higher education research and research capability to solve large, complex problems.

Importantly, all stakeholders – higher education institutions and providers, their students, staff, and alumni; governments; businesses; unions; professional bodies; and community organisations – have shared stewardship of Australia's higher education system through the Accord process facilitated by the Tertiary Education Commission. This has been the bedrock of deep change and reform to Australia's higher education. Australia is a stronger nation as a result.

Ten possible 'system shifts' to improve Australia's higher education system

A review of this kind necessarily highlights and addresses areas of underperformance to indicate where improvements are needed.

In this section of the Interim Report, we take a look at the Review's analysis from another and more positive angle: How will the changes being proposed combine and work their way through the higher education system to help meet our knowledge and skills needs?

The goals of this improved system are straightforward. Over the next decade, if Australian higher education is to play its role of 'powering progress,' it must find ways of:

- increasing the creation and use of knowledge to solve complex problems in every sector and every part of Australia
- sharing this knowledge rapidly and effectively to lift the skills of the Australian workforce, including through continuous reskilling
- lifting participation in higher and tertiary education for every part of Australia's community, including those currently missing out
- developing partnership across communities, to strengthen a culture of respect for truth and evidence, and to foster inclusion, trust and democratic culture.

Success is going to require changes in the way the higher education system operates. The Review has identified ten emerging 'system shifts' that would help bring this positive change about over time. We therefore propose the question: What might the higher education system look like in 2035 as a result of possible changes?

1. **It will be an integrated tertiary system, with a commitment to access for everyone with the potential and application, achieving significant growth in pursuit of ambitious national skills and equity targets.**

2. **First Nations will be at the heart of higher education.**

3. **There will be population parity in participation by 2035, supported by student-centred, needs-based funding.**

4. **There will be systematic investment in student support and equitable, efficient HELP arrangements.**

5. **Research will be reprioritised, to strengthen its foundations and bring about widespread impact through translation and use.**

6. **Learning and teaching will be transformed, with an ambitious commitment to student experience and use of technology.**

7. **Higher education and vocational education will be connected through pathways, partnership and an up to date qualifications framework.**

8. **Re-skilling and lifelong learning will be provided through more modular, stackable qualifications, including microcredentials, with full scaffolding and pathways.**

9. **A new approach to mission-based compacts will address future planning, distinctive place-based impact, and institutional governance responsibilities.**

10. **National governance will be coordinated and forward-looking through a new Tertiary Education Commission.**

Part 1

Chapter 1 Powering Progress: the future of Australian higher education

1.1 Introduction

The Review has been asked to examine the higher education system to ensure it can meet Australia's future knowledge and skills needs; expand access and opportunity to people currently underrepresented at university; and continue to deliver new knowledge, innovation and capability to benefit our society and economy.

These priorities are essential for the creation of a fairer, more equitable society, where all Australians can achieve their potential and enjoy socio-economic mobility. They will also help Australia create new knowledge and absorb it into our economy. In a world that is changing rapidly, with total knowledge increasing at a very fast rate,[4] a better and more equitable higher education system is now essential, and we need a major step-up in our efforts to create it.

Australia needs its people and industries to be able to absorb new discoveries and ensure enough workers have the high levels of skills and knowledge required to drive growth in productivity, produce the export industries of the future, and provide high-level services in the domestic economy. Without significant change to our higher education system, success will not be possible. There is zero room for complacency.

1.2 The education imperative to meet Australia's future needs

Higher education is about knowledge creation, diffusion and application. Our higher education system has stepped up in the past to contribute to accelerating change and now must do so again. It must help prepare Australia for the paradigm shifts we expect in global scientific, environmental, demographic and geopolitical conditions. Without change, Australia's higher education system will rapidly become unfit for purpose.

The starting point is having a more knowledgeable and skilled population.

Significant structural shifts are already underway in our economy. The future economy will need a more skilled and qualified population. The Review has commissioned analysis from BIS Oxford Economics (BIS OE) to explore the number of higher education graduates required to meet workforce and economic needs over the next 30 years. The preliminary analysis shows that Australian labour market demanded an additional 490,000 people with higher education qualifications in 2022. This is expected to grow to around an additional 696,000 higher education

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[4] P Chamberlain, 'Knowledge is not everything,' *Design for Health*, 2020, 4(1):1-3, doi:10.1080/24735132.2020.1731203..

qualifications on average, per year, in the decade from 2042 to 2052.[5] All in all, an additional 5.8 million people will need a higher education qualification in 2052, roughly doubling the number of people with a higher education qualification,[6] as the share of all jobs requiring a higher education is estimated to increase from 36% to 55% of the working population over that period (note this analysis is based on a broader cohort than that covered by the Bradley attainment target which related only to 25-34 year olds).[7] 55% of all jobs implies an even higher proportion of young people attaining a higher education qualification. While some of this demand for skills will be met through skilled migration, Australia's higher education sector will need to produce more skilled graduates and will play an increased role in upskilling the current working population.

Population growth means greater demand for infrastructure, housing and services, including education. At the same time our population is ageing and living longer, increasing overall demand for higher quality health, disability and aged care services. Without urgent action, as Australia's population ages, a greater number of jobs requiring higher education will be left vacant, leading to skills shortages that need to be addressed through domestic upskilling and migration.

Australia is already facing serious skills shortages. The May 2023 JSA *Labour Market Update* showed that registered nurses, general practitioners, engineers, early childhood teachers and physiotherapists are among the occupations in shortage across the country.[8] Australia's skills shortages hold us back as a nation. They diminish our wellbeing through under-staffed hospitals, shackle our prosperity to low productivity growth, and obstruct personal ambition and achievement.

These skills shortages are everyday news and widely understood. Despite this, current trends in higher education attainment and demand are heading in the wrong direction. Trends in first-time completions of bachelor degrees have been decreasing since 2018, with 2021 completions at their lowest since 2014. Concerningly, demand for higher education is falling – which will lead to even fewer graduations a few years from now.[9] Australia's declining skills trends must be reversed. A sense of urgency is needed.

The answer is growth for skills through greater equity.

To meet our higher education attainment needs, the system will need to rapidly and substantially seek out and include students from historically underrepresented backgrounds. To reach parity, growth in students from underrepresented backgrounds will need to be significantly higher than for other students. The Department of Education's initial analysis of potential enrolment growth to meet a potential attainment target of 55% by 2050, suggests that by 2035, Commonwealth supported enrolments need to increase by 33% compared to 2021. Given the already high levels of participation in some communities, this additional growth in enrolments will need to come from communities that are traditionally underrepresented in higher education. Reaching parity would require around 60% of the additional students in the system to be from low SES backgrounds. Similarly, around 53% would need to be from regional and remote areas, and around 11% would need to be First Nations students.

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[5] BIS Oxford Economics (BIS OE), *Higher Education Qualification Demand: Preliminary Report Produced for Department of Education* [unpublished report], BIS OE, Sydney, April 2023.

[6] Australian Bureau of Statistics (ABS) census data shows 5.5 million people in Australia had a bachelor degree or higher qualification in 2021. ABS, *Education,* ABS website, n.d., accessed 26 June 2023.

[7] BIS OE, *Higher Education Qualification Demand* [unpublished].

[8] Jobs and Skills Australia (JSA), *Labour market update - May 2023,* JSA, Australian Government, 2023, accessed 8 June 2023.

[9] Department of Education, *Administrative data* [unpublished data], Department of Education, Canberra, n.d.

This will mean addressing a greater divide between rich and poor,[10] and an ongoing inability to close the gap on Indigenous disadvantage. The equity targets that were set in the 2008 Bradley Review have still not been met 15 years after they were first proposed. This means that thousands of students continue to miss out on the life changing benefits of higher education. Not only does this affect those students' economic and social wellbeing, but it also means our stock of knowledge is not representative of the myriad and diverse experience of Australians from all walks of life. To close the gap for First Nations people and drive towards equal wellbeing for all Australians, the higher education system must make an urgent commitment to improve access and outcomes for traditionally underrepresented cohorts.

Today's skills shortages and mismatches are already costly and increasingly disruptive for our lives, and they are expected to be exacerbated by paradigm shifts in Australia's operating environment. Climate change, the rapid development of artificial intelligence, the transforming strategic relations in our region and other factors will speed up the demand for new knowledge and skills.

The rate of knowledge production and technological change is intensifying across the world. Creating, sharing and applying knowledge through technologies and complex systems is critical to our security, prosperity and wellbeing. It touches every sector of our society. Australia must keep up with, and participate successfully in, these global movements.

1.3 Key challenges for the future higher education system

The Review has considered whether our current higher education system can produce the knowledge, skills and equity outcomes that this rapidly changing situation requires.

The status quo will not suffice. Fundamental changes in tertiary education participation will be needed.

We have been here before. Many of these challenges were identified by the 2008 Bradley Review:

> *The measures supported in this report are designed to reshape the higher education system to assist Australia to adapt to the challenges that it will inevitably face in the future. However, because the world is in a period of rapid and unpredictable change, it is not clear if they will be sufficient to enable the higher education system to meet these challenges adequately.*
>
> *Because other countries have already moved to address participation and investment in tertiary education, as a means of assisting them to remain internationally competitive, the recommendations in this report, if fully implemented, are likely to do no more than maintain the relative international performance and position of the Australian higher education sector.[11]*

Some progress had been made since then, but not enough. Despite the sector's warnings, long-term planning has been completely inadequate and there has been too much complacency at the national level.

The impacts of the COVID-19 pandemic have also increased the pressure on students, academics and professional staff, disrupted enrolments and revenues; depleted financial resources for providers and for governments; intensified short-term demand for domestically produced goods and services

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[10] University of New South Wales (UNSW) Media, 'New Report: Wealth inequality in Australia and the rapid rise in house prices', *UNSW Newsroom,* 22 July 2022, accessed May 11 2023.
[11] D Bradley, P Noonan, H Nugent and B Scales, *Review of Higher Education: Final Report* [PDF], Department of Education, Employment and Workplace Relations (DEEWR), Australian Government, 2008, accessed 7 June 2023.

in key areas; and forced innovation and adaptation in the delivery of curriculum, research, services and support. As a result, the current higher education system is in a stressed state.

In the face of long-term challenges requiring sustained, predictable pathways and planning, policy-making has often focused on the short term. This causes uncertainty for institutions, making it difficult to invest where they need to. A long-term vision is essential. Student numbers take time to build, and investing in staff and infrastructure to support expansion where it is required needs careful planning. Too many people are missing out on the opportunities of higher education, and there is no straightforward way to help more people to succeed immediately.

Governments have a clear role to play in setting this vision, but it needs to reflect the views of the wider community and achieve their buy-in to be enduring.

Lack of coherent long-term policy and investment, compounded by the effects of the COVID-19 crisis, has led to a situation where the number of people studying and the structure of courses in many disciplines in tertiary education is not keeping up with fast-changing workforce and industry demand, and with the areas of Australia where the population is growing fastest.

The system is inequitable. Opportunity and attainment are influenced by location and student background. Higher education participation rates for low SES and regional, rural and remote students have gone backwards since 2016. First Nations participation has increased but remains around 40% below population parity.[12]

The higher education system, including the funding apparatus, hasn't facilitated the increase in students from equity groups needed to ensure parity of access and degree completion, meaning that many communities are missing out on the transformative change higher education offers. The increases to student contributions through the JRG package affected Indigenous and female students more than others and will only worsen this situation. The 50% pass rule included in the JRG package has had greater impact on students from underrepresented backgrounds, compounding the negative effect JRG had on students, particularly those from equity groups. The impact of the JRG package is directly risking the affordability of the system for students and putting stress on the HELP system.

Australia's skills needs are growing and changing fast, with industry needs evolving and requiring skills and knowledge that cross the boundaries of our education sectors. Higher education is not currently well aligned with the VET system. Places, pathways, credit for prior learning and articulation, funding and regulation are fragmented across different institutions, levels of government, industries and places.

The Review has heard from industry peak bodies, JSA, and diverse other stakeholders through submissions and consultations, that Australia's structural skills shortages are becoming more acute. Without major changes, Australia's economy will be unable to source the skills and knowledge needed to become a more knowledge-intense economy. Shortages in nursing and teaching are persistent and there are now shortages of ICT and other engineering professionals across Australia. These are skills which are expected to be in even higher demand in the future.[13]

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[12] Department of Education, *Higher Education Statistics –Student Data – 2021 Section 11 Equity groups* [data set], education.gov.au, 2023, accessed 16 June 2023.
[13] JSA, *Labour market update - May 2023.*

Without increasing participation from equity cohorts, Australia will find it harder to reach the education attainment levels needed to boost social mobility and equality and address the forecast skills gaps and shortages.

> "This is because an Australia where all parts of society have increased skills and education is a more productive and dynamic one. We cannot have the degree of knowledge and participation we need to compete in the future economy if large segments of the population are not participating. Increasingly diverse participation in higher education is not something that "should be done", it is an imperative because it is a key source of strength for our future. … consideration should be given to increasing the number of Commonwealth supported places available to those from a disadvantaged background." – Business Council of Australia

The success of the Australian higher education system relies on a secure, enduring and sustainable funding system. Over the last decade, policy shocks, competing interventions and volatility in income, especially associated with the pandemic, have eroded the ability of the sector to plan in a secure way and exposed vulnerabilities in its core activities and workforce development.

It is imperative that a predictable pathway forward for higher education policy and funding be found and a consensus be built around it to give it adequate time to be implemented.

The current system does not adequately recognise the added costs involved in achieving success for some student cohorts, meaning there is insufficient funding for institutions to expand access easily, especially for equity groups, to the extent required to meet the Government's skills ambitions. This will only be exacerbated if the full impact of the overall reduction in per place funding introduced through JRG is felt by the sector.

The increased costs associated with new contribution rates for many degrees, together with increased costs of living and increased rates of inflation affecting student loans is causing unnecessary stress for students and graduates and may affect other parts of their lives.

Infrastructure, workforce development, and research in our universities are not sustainably funded in their own terms. The ability of Australian universities to be sustainable is dependent on their ability to generate income above and beyond government funding.

Some universities are consequently over-reliant on international students and their revenue, with the benefits and risks of educating international students uneven across the sector. International students enrich our culture, bolster our skills supply and increase our influence in the global community, but the volatility of these enrolments and income streams threatens to undermine the stability of some institutions, and their ability to maintain research capability and quality.[14] The growth of international student revenue has become so important to the sector that its volatile nature is now a risk to our national research effort. Relying on funding core research capability and functions from volatile revenue sources has inherent risks and variability.

Some Australian universities benefit from substantial endowments, high international rankings which help attract larger numbers of international students, and valuable property holdings.

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[14] Department of Education, *Higher Education Providers Finance Tables* [data set], education.gov.au, multiple years, accessed 7 June 2023.

However, many do not have access to these benefits and face challenges to their financial stability. As a result, many universities are in a precarious financial position. One of the few levers available is to increase scale, and to increase provision of courses that can be managed to generate a surplus – neither of which is necessarily in line with the needs of students and will not necessarily address skills shortages. This is further compounded by subdued levels of student demand as unemployment remains at record lows and living costs soar. A rethink of how university operations are financed is urgently needed to better provide stability and maintain sustainability of the sector.

The higher education workforce is also stressed, and some higher education providers rely too heavily on short term contracts and a highly casualised workforce, in part because their funding security from year to year is unpredictable or at best subject to cyclic volatility. The funding of higher education and its workforce structure are inextricably linked. Too much short term and casualised work threatens the quality of institutions and is undermining the long-term capability of the teaching, research and innovation workforce. Among academic staff, women are over-represented in casual roles, with significant gender equity impacts. The recent instances of staff underpayment in the sector, particularly of casual and sessional academic staff, are patently unacceptable, especially for a sector funded largely by the public and that relies on its reputation to a substantial degree. That the Fair Work Ombudsman believes these issues are entrenched in the sector is of great concern to the Review.[15]

We must ensure all Australian universities are exemplary employers.

Institutions and industry need the capability to work in a fast-changing knowledge economy. Research and innovation are critical for driving this change, both through developing a highly-skilled workforce, and through effective R&D systems in every sector. University research activity is currently underwritten by international student revenue and other cross-subsidies, and this creates unacceptable risk to the future. Yet the success of Australian higher education as an international industry has led to a situation where the funding it provides is so great it cannot realistically be replaced by public sources.

The above strains on Australia's higher education system have meant it faces urgent pressures that threaten its ability to meet current and future challenges.

1.4 First Nations at the heart of Australia's higher education system

Before outlining immediate recommendations, the Interim Report wants to specifically address the vital need to centre the experience of First Nations peoples in higher education.

Australia is home to the world's oldest continuous living culture. Creating space for the knowledges and perspectives of First Nations people in matters that concern them is crucial to Australia's development as a more equal nation.

Knowledge, understanding, education and scholarship produced by First Nations people, along with commitment to their success through education, employment, research and community partnership, needs to be at the heart of the Australian system of higher education. This requires a commitment

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[15] Fair Work Ombudsman (FWO), *Fair Work Ombudsman letter to Prof Mary O'Kane*, FWO, 8 May 2023, accessed 7 June 2023.

to empowerment of First Nations people with a self-determined approach developed in relation to funding and policy settings at both a national and institutional level.

Education, pedagogy, knowledge and innovation have always been part of First Nations culture, and enshrining these knowledge systems and practices in Australia's higher education institutions is key to the success of First Nations people in higher education, to the institutions themselves and in the broader community. This inclusion also enriches Australia's knowledge base. Australia's commitment to the success of First Nations people in higher education and beyond is a national priority and the Review has considered this throughout the chapters of this report and in the considerations for change.

Educational institutions are among many key sites of this cultural preservation, sharing and development, and First Nations cultures and knowledge need to be built into the fabric of these institutions. First Nations students, educators and researchers are working to realise this vision in Australia's higher education sector – from re-awakening languages to creating culturally safe modes of medical care to educating the next generation of First Nations leaders.

Participation in higher education is a pathway to success for First Nations families and increased capacity for their communities, yet First Nations people continue to be underrepresented across the higher education system.[16] A smaller student population manifests as fewer Aboriginal and Torres Strait Islander researchers and academics, and in the broader community, where Australia misses out on the knowledge, expertise and talent of First Nations people across our society and the economy.

The 2012 Behrendt *Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People* set a target for parity for First Nations students and staff in the higher education sector. While First Nations participation has been increasing steadily over the last decade, from 1.3% of domestic students in 2008 to 2.1% in 2021, Indigenous student enrolments would need to increase by 44% to be at population parity in 2021.[17] Similarly, First Nations staff members make up just 1.2% of academic staff, and 1.6% of non-academic staff in Australian universities.[18] The Accord process gives Australia a chance to determine what needs to be done to meet this target and to continue the conversation about First Nations participation, success and self-determination in higher education.

In the words of Wesley Enoch, Indigenous Chair in Creative Industries at Queensland University of Technology, "education has given us choices and the power to make change on our own terms."[19] Finishing high school at a time "when universities were actively recruiting and supporting Indigenous students,"[20] Enoch touches on the crucial role Governments and institutions need to play in enabling First Nations students to succeed in higher education.

This Review aims to identify the actions and commitments needed to create better opportunities for First Nations students, supported by a funding system that drives positive outcomes for those

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[16] Department of Education, *Higher Education Statistics –Student Data – 2021 Section 11 Equity groups*.

[17] Department of Education, *Higher Education Statistics – Student Data – 2021 Section 6 Indigenous students* [data set]*,* education.gov.au, 2023, accessed 8 June 2023.

[18] Department of Education, *Higher Education Statistics – Staff data – 2021 Staff Indigenous* [data set], education.gov.au, 2022, accessed 8 June 2023.

[19] W Enoch, 'To stop myself from losing hope, I focus on the positive stories of change in my own family', *The Guardian*, 26 May 2021, accessed 7 June 2023.

[20] Enoch, 'To stop myself from losing hope, I focus on the positive stories of change in my own family'.

students. To achieve this, this Review has proposed to ensure all First Nations students are guaranteed funded places at university – by extending demand driven funding to metropolitan First Nations students – and to consider ways forward to support those students to succeed at university and to increase representation of First Nations researchers and leaders in the higher education sector, and beyond.

Higher education outcomes are fundamental to Closing the Gap. In the *Uluru Statement from the Heart*, First Nations people generously invited all Australian people to work together to build a better future. The Statement envisions that First Nations children "will walk in two worlds and their culture will be a gift to their country."[21] Australia's higher education sector is a site of opportunity to realise the partnership articulated in the *Uluru Statement from the Heart.* Heeding this call, Australia's educators, researchers, and institutions have a role to play in realising this vision by ensuring First Nations people have a greater say in the decisions that affect them.

Improving Closing the Gap outcomes in higher education requires full and genuine partnership between First Nations people, higher education institutions, the Australian Government, and other partners in the Accord.

For these reasons, the Review is giving further consideration to the following policy areas:
  a) creating a new First Nations Higher Education Council to give voice to the needs, aspirations and know-how of community
  b) moving towards a self-determined approach to national funding and policy settings in relation to First Nations students, employment, teaching, research and engagement, with universities mirroring this approach within their institutions, as is the case in some institutions today
  c) supporting a First Nations-led review of access, participation and outcomes for First Nations students and staff, research, teaching, use of First Nations knowledges, and First Nations governance and leadership within universities
  d) enhancing research capability for First Nations knowledges and for collaboration and partnerships between First Nations communities, governments, universities and industry.

1.5 There are critical first steps to be taken now

Without decisive action on higher education, Australia's economic and social progress will suffer.

While the majority of the Review's longer-term recommendations require more discussion in the lead up to its Final Report in December, some warrant immediate action by government. These concern equity of access, student safety, funding certainty for universities and the proper payment of university staff.

Bringing university education to under-serviced communities

The Review has heard that proximity and connection to a place of learning is a critical decision-making factor for students when determining future study options and is a significant barrier to access to higher education. Evidence has been positive of the benefits of RUCs for participation in the areas that they operate. However, the Review has also heard that place-based need is not restricted to regional areas. Students in outer metropolitan and peri-urban areas can face similar challenges to accessing physical higher education infrastructure, compounded by long or costly

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[21] First Nations National Constitutional Convention, *Uluru: Statement from the Heart,* Uluru Statement from the Heart, 2017, accessed 17 May 2023.

commutes. Bringing place-based solutions informed by the RUC model to these areas could improve access for current and prospective students in these areas including First Nations students. It is recommended that government:

> **Extend visible, local access to tertiary education by creating further Regional University Centres (RUCs) and establish a similar concept for suburban/metropolitan locations.**
> *RUCs have been found to be effective at improving student participation, retention and completion rates in regional and remote areas and should be expanded.*
>
> *The Review believes similar place-based and community-led solutions – New Tertiary Study Hubs – could improve participation, retention and completion for students in outer metropolitan and peri-urban areas, especially those from low SES backgrounds. These Hubs should be based on the specific needs of each local communities and have tailored wraparound support to help students to succeed.*

Preliminary improvements to the JRG package

The Review heard concerns of the effect of the JRG package on the system and students. This Interim Report includes a number of significant issues for future change, including changes to funding, student contributions and HELP repayments. These require additional research and consultation prior to final recommendations being made. However, there is one area of the JRG package that is causing undue harm to students and can be immediately addressed ahead of these ideas being considered. It is recommended that government:

> **Cease the 50% pass rule, given its poor equity impacts, and require increased reporting on student progress.**
> *Introduced as part of the JRG package, the 50% pass rule disproportionately disadvantages students from equity backgrounds. Enhanced reporting on student progress will increase the focus on improving the success rates of at-risk students. While the Review believes other aspects of the JRG package need reform, this change should proceed at the first possible opportunity.*

Equity and First Nations people

Australia is not on track to achieve the Closing the Gap target that by 2031, 70% of First Nations people have a tertiary qualification.[22] At the moment, 47% of First Nations people aged 25-34 years have completed a tertiary qualification.[23] Addressing these targets is crucial. It is recommended that government:

> **Ensure that all First Nations students are eligible for a funded place at university, by extending demand driven funding to metropolitan First Nations students.**
> *Consistent with the principle behind the introduction of guaranteed funding for First Nations students from regional and remote areas in 2021, this funding arrangement should apply to all First Nations people undertaking higher education, including in metropolitan areas.*

Providing funding certainty in advance of the Final Report

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[22] Productivity Commission, *Closing the Gap Information Repository*, Productivity Commission, 2023, accessed 16 June 2023.
[23] Productivity Commission, *Closing the Gap Information Repository*.

The Review considers that the end of the HECG in December 2023 in the absence of a new funding approach may cause unnecessary disruption to staff, students and the sector. New funding arrangements will be proposed in the Final Report. Interim funding arrangements are needed in advance of a possible new funding system. Given the imperatives identified by the Review with regard to growth for skills through greater equity, universities and providers should be expected to direct any funding resulting from this guarantee towards supporting and enhancing equity outcomes.

> **Provide funding certainty, through the extension of the Higher Education Continuity Guarantee into 2024 and 2025, to minimise the risk of unnecessary structural adjustment to the sector. Interim funding arrangements must prioritise the delivery of support for equity students to accelerate reform towards a high equity, high participation system.**
>
> *Universities and eligible higher education providers' Commonwealth Grant Scheme (CGS) funding is currently guaranteed to December 2023 through the HECG. The Final Report will propose new funding arrangements for consideration by Government. Extending the guarantee into 2024 will avoid unnecessary disruption to staff, students and the sector.*
>
> *The Review recommends that universities and providers should be expected to direct any funding resulting from this guarantee to support greater equity outcomes. This should be directed towards a range of* assistance*, such as increased support for students in enabling courses, improved academic advice and learning support, wraparound support and services (such as mental health services), scholarships or other equity-related services*.

The safety and wellbeing of students and staff

The Review received submissions and testimony about the safety and wellbeing of students and staff. It considers issues of underpayment and student safety in particular warrant immediate action from governments and institutions. Governing bodies have the power to act on these concerns immediately, and governments have the power to strengthen university governance arrangements further. It is recommended that government:

> **Through National Cabinet, immediately engage with state and territory governments and universities to improve university governance, particularly focusing on:**
> - **universities being good employers**
> - **student and staff safety**
> - **membership of governing bodies, including ensuring additional involvement of people with expertise in the business of universities.**
>
> *Australian governments should work together to strengthen university governing boards by rebalancing their composition to put greater emphasis on higher education expertise. Governing bodies must as a priority do more to improve student and staff wellbeing and become exemplary employers.*

1.6 Consultation, engagement and next steps

The Universities Accord Review process coincides with a number of major reviews with relevance to higher education. These include the Productivity Commission *Inquiry into Australia's Early Childhood Education and Care System* led by Emeritus Professor Deborah Brennan AM, and the *Review to Inform a Better and Fairer Education System* led by Dr Lisa O'Brien AM.

The Review believes that strong collaboration between these three reviews, and with the development of the new National Skills Agreement between the Commonwealth, states and

territories and with the review of national research priorities, *Revitalising Australia's Vision for Science and Research,* being led by the Chief Scientist is vital. Ensuring that all aspects of the education and research systems pull together toward a common vision of an educated and informed Australia will help achieve the step-change in skills, knowledge and participation that our society urgently needs.

Following the release of this Interim Report, the Review will consult widely to inform its Final Report, which will include recommendations and a roadmap for the future.

The Final Report is due to be submitted to the Minister for Education in December 2023.

1.7 Building an Accord

A collective effort, with great ambition, will be required to achieve the step change described in this report. This will take a sustained commitment over multiple decades. Governments from all levels will have a role to play in the future skills system. Local governments as leaders of their communities, states and territories in their role in the higher education system as well as stewards of the VET system, and the Australian Government as the funder and regulator of higher education, will need to work together as part of this process.

A dynamic partnership must be forged between governments, institutions, students, industry, unions and communities, among others, to drive genuine engagement and collaboration in planning for the future. This is the work of an Accord.

Considerations for next steps in the process to design and implement an Accord to deliver against the opportunities and priorities outlined in this report, and as part of the Final Report, is contained in Chapter 4.

Part 2

Chapter 2 Evolving the mission for higher education

This chapter sets out ideas to evolve the mission for higher education and achieve the Review's vision of a high-functioning system.

It describes how our higher education system can address Australia's skills and knowledge needs to meet generational challenges, including climate adaptation, energy transformation, health and care, Closing the Gap on Indigenous disadvantage, buttressing our inclusive democratic culture and creating stronger and more prosperous communities.

It explores barriers and gaps in Australia's current higher education system, describes opportunities for change and identifies possible ways forward.

2.1: A larger, fairer system

> "…to deliver an Australian higher education system that 'delivers equal access to higher education for all, irrespective of location, financial circumstance, cultural background, gender or other factors' … more ambitious targets for underrepresented groups must be set" – Equity Practitioners in Higher Education Australasia

Issues

The Bradley Review set a target that 40% of Australians aged 25 to 34 have a bachelor or higher degree, and a participation target that 20% of undergraduates should be from low SES backgrounds.[24] The first target has been met – although it no longer reflects the projected skills needs of Australia's economy, which have risen substantially. The second target has not. In fact, participation rates for low SES students have barely increased over the past decade.[25]

More ambitious targets in both areas are now needed.

This section discusses the need to increase higher education attainment to meet Australia's future skills needs and how doing so will require an increase in enrolments from students historically underrepresented in the higher education system. It proposes setting new targets for attainment and a commitment to parity in participation for students from underrepresented backgrounds.

Our direction is clear: to succeed in the future, Australia needs to grow skills through greater equity.

To achieve this, the Review's Final Report will set higher targets for higher education participation and equity.

2.1.1 New targets to drive action

The Terms of Reference for the Review ask it to:

- "Include recommendations for new targets and reforms recognising that more than nine in ten new jobs will require post-school qualifications, and 50% of new jobs are expected to require a bachelor degree or higher."
- "Include recommendations for new targets and reforms to support greater access and participation for students from underrepresented backgrounds."

In considering what these targets might be, it is necessary to estimate the number of skilled workers required in the future and what this means for a new attainment target. Given current participation and attainment rates and patterns, this requires substantial growth in participation from cohorts currently underrepresented in Australian higher education.

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[24] In Australia, the population benchmark for low SES is 25%. Bradley et al., *Review of Higher Education: Final Report.*
[25] Low SES domestic undergraduate enrolments accounted for 15.1% of all domestic undergraduate enrolments in 2011. In 2021 this was 17%. Department of Education, *Higher Education Statistics – 2021 Student Data* [data set], education.gov.au, 2023, accessed 7 June 2023.

We look here at how the system needs to change over the coming decades to achieve its desired targets.

2.1.1.1 Considering future demand and attainment

The Bradley Review set a target of 40% of 25-34 year olds having a bachelor degree or higher. This served us well at the time. There are a range of issues to be considered in determining new targets for participation and attainment. The Review commissioned advice from BIS OE on the expected demand for higher education in the future.

New jobs in the labour market are already tilted heavily towards tertiary and higher education as a requirement: JSA projects more than one million new jobs will be generated by 2026, with 90% of these requiring a post school qualification. More than half of these jobs will require a bachelor degree or above. [26]

This shift towards higher qualification requirements will persist into the long-term. The Review commissioned analysis from BIS OE to provide estimates of the number of higher education graduates required to meet future demand over the next 30 years.

BIS OE's preliminary analysis suggests that by around 2050, 55% of all employed persons will require a higher education qualification, up from 36% of the entire working population at present (this is different to the cohort covered by the Bradley target which relates to 25-34 year olds).[27] Achieving this level of attainment across the working population will require more young people going into higher education and more upskilling of the existing workforce.[28] Skilled migration will also continue to play an important role. Given the amount of time it takes to train graduates and the scale of the expected future skills needs, we must increase participation quickly.

2.1.1.2 Current levels of higher education attainment

As shown in Figure 2.1-1, the proportion of Australians aged 25 to 34 with a bachelor degree or above has increased from 31.9% in 2008 to 44.6% in 2022.[29] In achieving this, Australia has met the Bradley target of 40%. However, these qualifications are not evenly distributed across the nation, with both Queensland (35.8%) and Tasmania (37.7%) still below 40%.[30] The Review's analysis suggests further action is required to increase this attainment level to meet demand for qualifications in the future.

Figure 2.1-1: Proportion of people with a bachelor or above qualification by year (1986 to 2022) and by jurisdiction (2022).

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[26] NSC, *Employment outlook (five years to November 2026).*
[27] BIS OE, *Higher Education Qualification Demand* [unpublished].
[28] BIS OE, *Higher Education Qualification Demand* [unpublished].
[29] Australian Bureau of Statistics (ABS), *Education and Work, Australia*, ABS, 2022, accessed 7 June 2023.
[30] ABS, *Education and Work, Australia.*
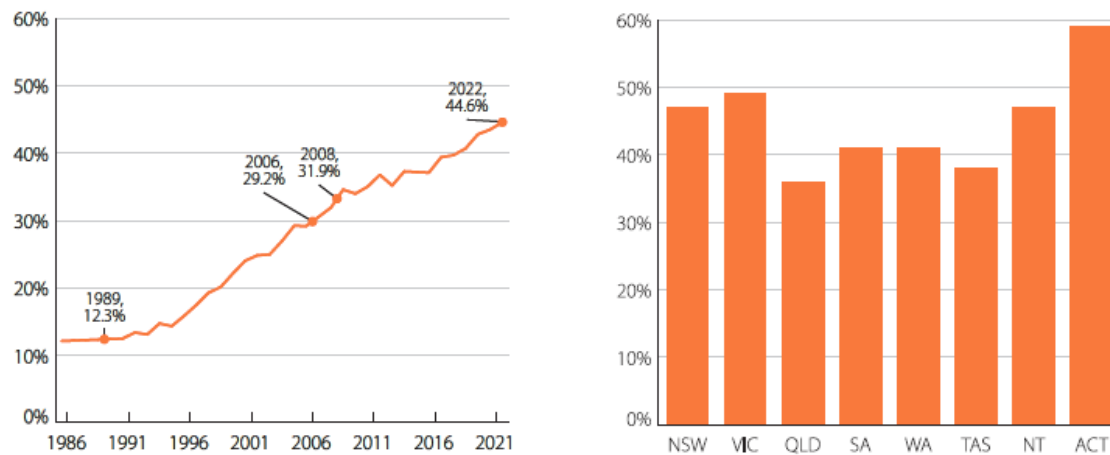
Source: Australian Bureau of Statistics (ABS), *Education and Work, Australia* [data set], abs.gov.au, 2022, accessed 8 June 2023.

More broadly, the proportion of people with a Certificate 3 or higher qualification has also increased. In 2022, 73% of people aged 25 to 34 years-old had a Certificate 3 or higher.[31]

According to the OECD's measurement of tertiary attainment, which focuses on Diploma or higher qualifications, Australia sits above the average, but trails comparator countries such as Korea, Canada and Japan (see Figure 2.1-2).[32] Many of the countries with high tertiary attainment, especially Korea and Japan, are industrial powerhouses and have strong cultural commitments to further education. Canada has significant numbers of highly-skilled migrants; from 2016 to 2021 recent immigrants made up nearly half of the growth in the share of Canadians with a bachelor degree or higher.[33]

Figure 2.1-2: Proportion of the population with a tertiary education* (25 to 34 year olds), 2021.
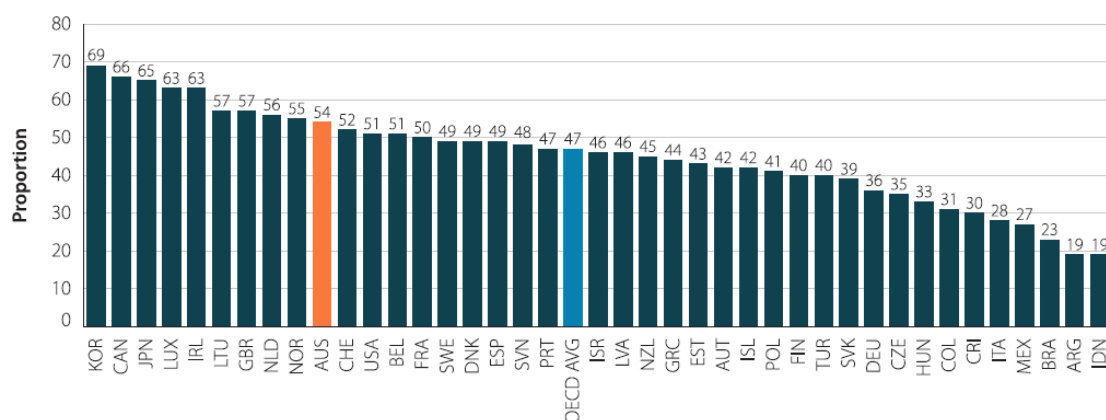
Source: Organisation for Economic Co-Operation and Development (OECD), *Population with tertiary education* [data set], data.oecd.org, 2023, accessed 7 June 2023.

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[31] ABS, *Education and Work, Australia.*

[32] Organisation for Economic Co-Operation and Development (OECD), *Population with tertiary education* [data set], data.oecd.org, 2023, accessed 7 June 2023

[33] CanApprove, *Immigrants make Canada the G7's most educated country: StatsCan report*, CanApprove website, 2022, accessed 7 June 2023.

2.1.1.3 Risk of slower and falling attainment

Without significant change, there is a risk that Australia's attainment levels may falter and even fall over the next decade. There are early signs of this deceleration. As shown in Figure 2.1-3, an increase in the number of domestic students (particularly those in the 19 to 24 year age range) completing a bachelor degree for the first time from 2008 to 2018 drove the increase in attainment over the last decade. However, the most recent graduations data shows a fall in the number of domestic students graduating with their first bachelor degree, with completions in 2021 at their lowest since 2014. To make matters worse, demand for higher education has fallen in recent years, and this will likely produce a further fall in graduations over the next few years.[34]

Figure 2.1-3: Number of domestic students completing a bachelor degree for the first time, 2005 to 2021.
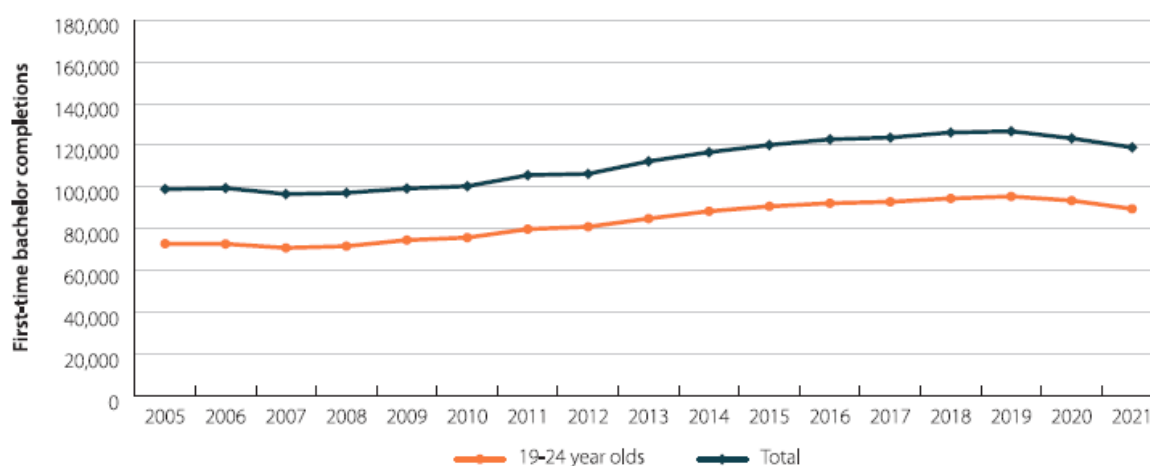
Source: Department of Education, *Higher Education Statistics –Student Data* [unpublished data], Department of Education, Canberra, 2023.

2.1.1.4 What magnitude of growth is needed?

To support the development of a new target, the Review has sought analysis from BIS OE, which suggests that Australia will require a workforce-wide higher education attainment rate of 55% by around 2050. This implies an even higher attainment rate for young people. This is a good starting point to consider what an appropriate attainment level could be and the magnitude of growth required in the higher education system.[35]

In recent years, enrolment growth has slowed and, as shown in Figure 2.1-3 above, the number of people completing a bachelor degree is falling. 2023 demand for higher education has also fallen, in line with the strengthening economy and strong employment growth. If Australia is to achieve an attainment level of 55%, these trends need to be reversed and a significant increase in enrolments is required – starting now and continuing over coming decades.

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[34] Department of Education, *Administrative data* [unpublished data].

[35] BIS OE, *Higher Education Qualification Demand* [unpublished].

Preliminary analysis by the Department of Education (see Figure 2.1-4) suggests that Australia will need to increase the size of the higher education system significantly over the next three decades.

Latest data indicates Australian universities enrol around 900,000 Commonwealth supported students, including 760,000 bachelor students. To reach 55% attainment for people aged 25 to 34 years by 2050, we would need to have at least 1.2 million Commonwealth supported students in 2035 and 1.8 million in 2050. However, further growth would be needed to support older students deciding to enrol for the first time, or to upskill and reskill.

This is well above the growth in CSPs projected by the Department of Education under existing policy settings and population growth, which indicate that the Australian higher education system will grow to 1 million Commonwealth supported students in 2035 and 1.2 million by 2050.

Figure 2.1-4: Possible total projected CSPs (headcount) to reach 55% attainment by 2050.
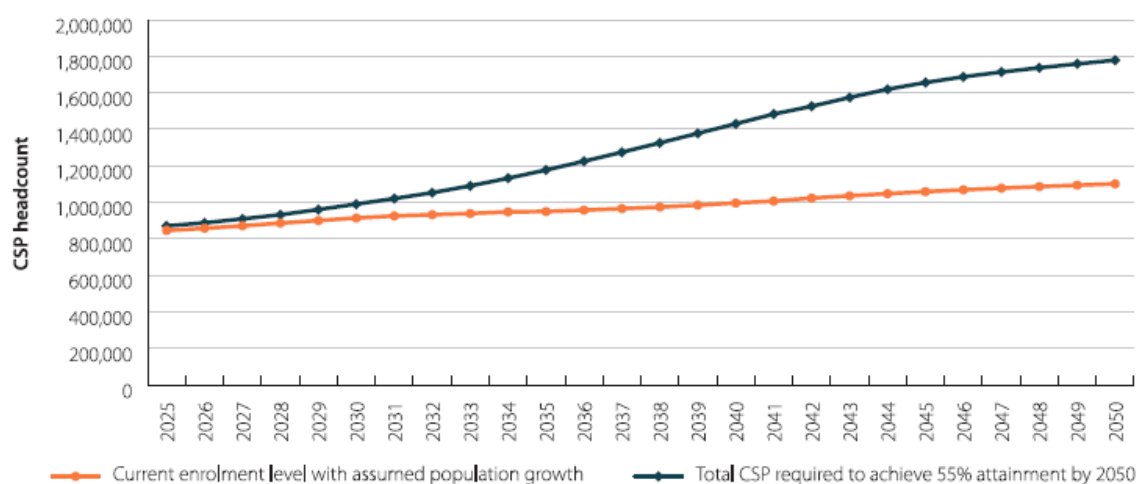
Source: Department of Education internal analysis based on ABS, *Population and Housing, Census 2021*; *Population Projections, Australia* [data sets], abs.gov.au, 2021, accessed 6 June 2023; Centre for Population, *Budget 2023-24, population projections, Australia* [data set] population.gov.au, accessed 6 June 2023 and Department of Education, *Higher Education Statistics –Student Data* [unpublished data].
Assumptions based on current completion profiles.

While it is clear that the number of people completing bachelor degrees must increase, completion numbers for the next 3 years are tracking lower, the outcome of policies of the recent past. This is in addition to the fall in first time bachelor completions outlined above.

Based on the above scenario that sees a 33% increase in enrolments by 2035 and 55% attainment by 2050, it is projected that around 150,000 people will need to complete a bachelor degree for the first time in 2035 (see figure 2.1-5) – 27% higher than in 2021. By 2050, this is projected to increase to around 275,000 people.

Figure 2.1-5: Projected bachelor completions to reach a 55% attainment target by 2050.

2.1.2 Alignment between funding and overall objectives

Achieving attainment targets requires a funding system that supports enough students to enrol and gain a qualification. The funding needs to be effectively distributed across the higher education sector to meet a range of priorities and objectives – to ensure students can access a CSP at an institution of their choice, to meet anticipated surge in demand in some locations due to population growth, to meet new attainment and participation targets, and to ensure critical skills pipelines.

It will be important that the funding system reflects the future patterns of enrolment desired by national policy – and particularly the need to have higher levels of participation in equity cohorts, regional areas and outer suburbs. As shown in Figure 2.1-6, the largest absolute growth in 9 to 16 year olds between 2016 and 2021 is in major city outer suburbs, with some inner regional areas also showing significant growth. Funding and growth provision will need to respond to these changes.

Figure 2.1-6: Population growth in 9 to 16 year olds between 2016 and 2021.
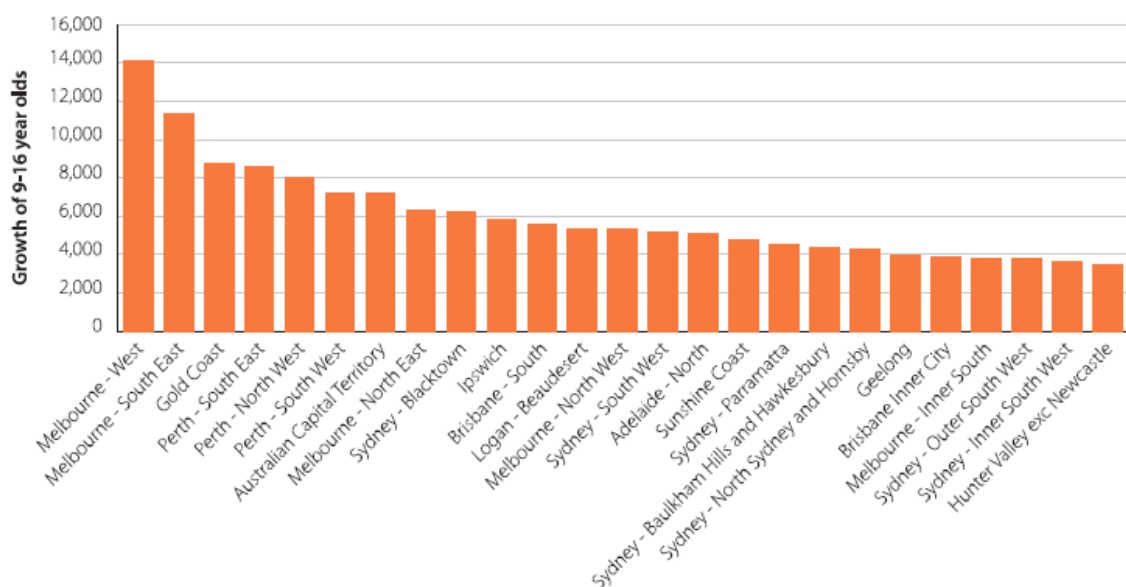
2.1.3 Meeting attainment targets requires increased equity cohort participation

An increase in the number of people gaining a higher education requires an increase in enrolments by students from traditionally underrepresented backgrounds. In 2021, 17% of undergraduate students were from a low SES background, well below 25% which would attain parity based on the percentage share of the population.[36]

Figure 2.1-7 demonstrates that a similar pattern is true for students from regional and remote areas and First Nations students, all of whom remain underrepresented in the higher education system. It also shows that there has been recent positive increases in students with disability participating in higher education.[37] This positive increase has been due to increased accessibility to higher education as a result of moving to online learning during the pandemic, and increased reporting of mental health conditions. There is a risk that this positive increase might stall or reverse if universities don't allow ongoing hybrid learning to continue.

Figure 2.1-7: Participation ratio for underrepresented groups at Table A institutions, 2005 to 2021.*
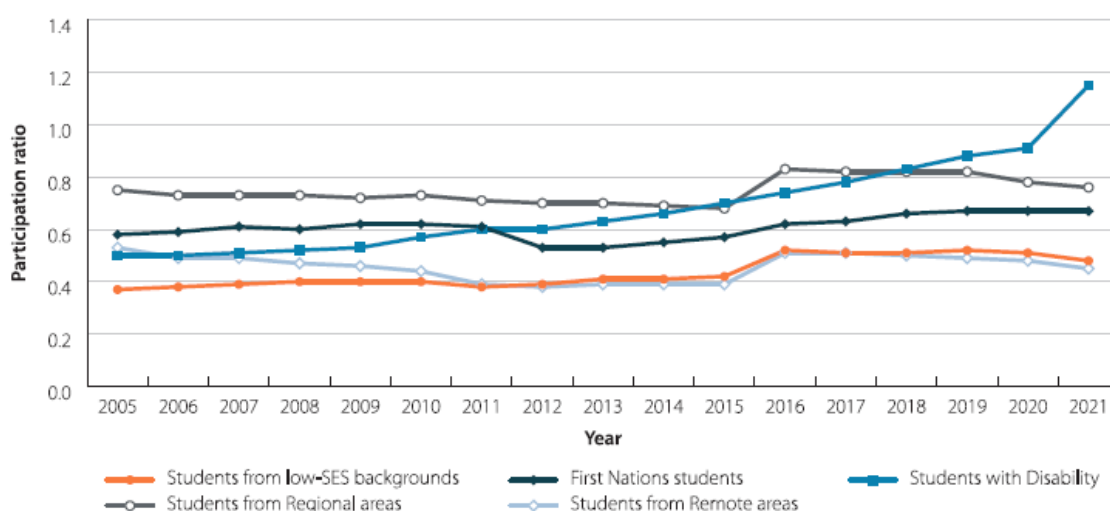
Meeting attainment targets requires increased equity participation.

We need to start increasing participation in higher education now to reach our future attainment needs. The BIS OE analysis suggests that Australia will require an attainment rate of 55% by around 2050. Initial analysis by the Department of Education suggests Australia would need to increase

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[36] Department of Education, *Higher Education Statistics –Student Data – 2021 Section 11 Equity groups*.
[37] There has been a significant increase in the reporting of students experiencing mental health conditions and associated disability from 2020 to 2021. This peak coincides with the COVID-19 Pandemic.

Commonwealth supported enrolments by around 33% from 2021 levels by 2035 to get on a trajectory to achieve this potential target.

As shown in Figure 2.1-8 below, increasing attainment levels will require significantly higher enrolments of students from equity backgrounds to achieve parity of participation. Given the increase needed in 2035, and to meet population parity, around 60% of the additional students would need to be from low SES backgrounds, while 46% will need to be from regional areas and 7% from remote areas. Around 11% of these extra students would need to be from First Nations communities. This would require a significant increase in the proportion of commencing students from traditionally underrepresented backgrounds compared to the current situation. Within our cities, this would also require a change in the geographic distribution of higher education participation, with areas currently underrepresented receiving additional attention.

Figure 2.1-8: Share of additional enrolments by equity students to reach population parity by 2035.

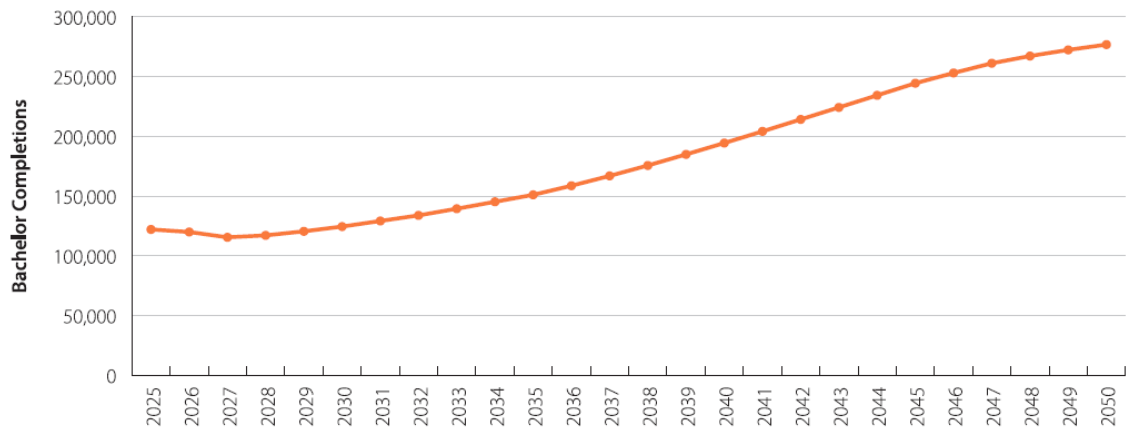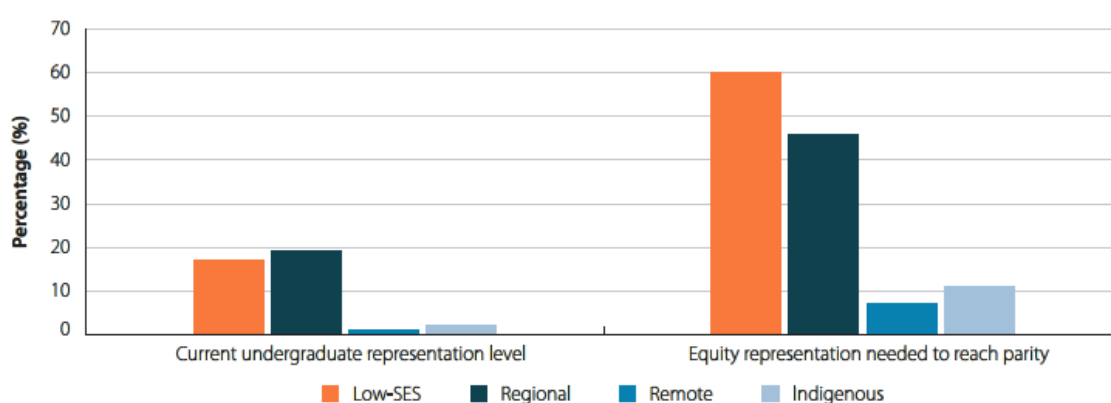Source: Department of Education internal analysis based on ABS, *Population and Housing, Census 2021*; *Population Projections, Australia* [data sets], abs.gov.au, 2021, accessed 6 June 2023; Centre for Population, *Budget 2023-24, population projections, Australia* [data set] population.gov.au, accessed 6 June 2023 and Department of Education, *Higher Education Statistics –Student Data* [unpublished data].

People from equity groups are currently less likely to apply to go to university. For example, only 20% of applicants are from low SES backgrounds, while 2.4% are First Nations. Achieving the ambitious growth targets this Review is considering will require significant growth in applications from such students.

To meet any attainment targets that are set, the system must both attract enrolments and support the success of participants who fully reflect Australia's diverse and talented population. A stronger commitment to parity in access, participation and outcomes, requires a significant renewal of efforts, underpinned by a funding system that supports such an increase in enrolments. This will take time and require institutions to embed equity more effectively in their institutional missions, policy and programs.

2.1.3.1 Setting and meeting ambitious new targets

Submissions to the Review offered mixed views on how to set new attainment and participation targets. Several submissions suggested that while the Bradley Review targets had been met in aggregate, more focus should be given to targets aimed at expanding access to people who want to

gain a higher education. These submissions also called for specific attainment targets for traditionally underrepresented groups, including regional, low SES and First Nations students.[38]

Other submissions argued that there are inherent difficulties in predicting Australia's skills needs, and that promoting arbitrary targets risks creating an oversupply of graduates.[39]

In the context of future skills needs, the Review supports establishing a new, higher target for higher education attainment within an ambitious tertiary target. An overall tertiary attainment target is appropriate as both VET and higher education will need to play a role in meeting future skills need. A national target could be a mechanism to draw the tertiary system together in pursuit of a common goal. Monash University proposed a tertiary attainment target of 75%.[40]

A high tertiary attainment target is consistent with the National School Reform Agreement (NSRA), which set a target of 90% year 12 (or equivalent) or Certificate 3 or above attainment for people aged 20 to 24 by 2020.[41] Australia met the NSRA target in 2021 with a 90% year 12 (or equivalent) or Certificate 3 or above attainment for people aged 20-24.[42]

The make-up of an overall tertiary attainment target between VET and higher education needs to be dynamic and responsive to changing skills needs and therefore needs to be subject to ongoing expert advice. Research shows that a growing proportion of the workforce will require tertiary qualifications, driven by factors such as the transition to a clean economy and a growing care workforce. Jobs that previously required VET qualifications will also require higher order thinking and people to engage in lifelong learning; likewise, jobs that previously relied on higher education may increasingly value specific vocational skills.

Increased attainment targets for both tertiary and higher education will see growth in student numbers and hence require additional funding for both sectors. From a higher education perspective, it is likely the sector will have to grow, particularly as lifelong learning becomes more popular and necessary.

Additionally, and to ensure the benefits of higher education are distributed across the community, the Review is considering creating specific higher education participation targets for students from underrepresented backgrounds and equity cohorts. This includes low SES, regional, rural and remote students, and students with disability. The sector should aspire to achieve parity of participation by 2035. This achievement of parity in participation would need to be underpinned by meaningful and achievable interim targets. It would also require a more co-ordinated and fully integrated national approach to equity, in addition to an effective long-term national evidence-based strategy.

2.1.3.2 More granular and practice-relevant data to inform policy and track progress

The adoption of new targets would require the Government to focus on broadening the adoption of evidence-based approaches to addressing barriers across the student lifecycle. This will require

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[38] Regional Universities Network (RUN), *Submission to the Australian Universities Accord Discussion Paper*, 2023; Universities Australia, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[39] A Norton, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[40] Monash University, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[41] Council of Australian Governments, *National School Reform Agreement*, Council of Australian Governments, 2021, accessed 16 June 2023.

[42] Productivity Commission, *Review of the National School Reform Agreement – Study Report*, Productivity Commission, Australian Government, 2022, accessed 16 June 2023.

institutional and system-level data collection to capture information more effectively on existing and emergent equity cohorts (such as improved data on disability, being the first in family to attend university, carers, care leavers, children from a single parent family, children of asylum seekers, etc) and cumulative disadvantage.

> "[T]here are some fundamental issues with the way [existing] data is collected …
> These issues include: the use of blunt indicators such as participation and attrition rates which do not account for nuanced and complex analysis needed for analysing equity target groups and especially the categories of disability." – Australian Disability Clearinghouse on Education and Training

2.1.4 A universal learning entitlement to support access to a high-quality tertiary education

The Review is examining public and private funding mechanisms to ensure individuals can gain the qualifications and credentials they seek (including beyond an initial qualification), *and* the system as a whole is meeting national skills needs.

This could be achieved through a universal learning entitlement – an appropriate combination of a public subsidy, a student contribution that would be paid through an income contingent loan (ICL) as in the current HELP scheme, and, for some lifelong learning, an appropriate employer contribution. The aim is, in part, to build a culture of high expectations, where all Australians can expect to attain a tertiary qualification.

This is seeking to achieve multiple objectives:
- meeting skills priorities through significant growth
- achieving that growth through population parity targets, and
- ensuring as many Australians as possible can gain one or more tertiary qualifications in an affordable way.

Such an entitlement would also move beyond traditional targets (e.g., the percentage of school leavers who go to university or complete a VET or TAFE qualification) and build a commitment where governments, industry, unions and education providers come together to meet a range of skills and other objectives.

While such a change would have similarities with the previous demand driven funding system, the Review sees the concept of 'demand driven funding' as no longer reflective of current requirements. An active focus is required to aim for better planned tertiary education provision across regional and metropolitan areas, including the option to translate the advice about economy-wide skills requirements into necessary action from the higher education sector, and monitor progress against participation and attainment targets.

This proposed harmonised national commitment to tertiary education attainment, and shared commitment by all governments and industry to these goals therefore needs to be the focus of further discussions and considered alongside other relevant national reforms.

Considerations for change

Given existing patterns of participation, a larger system necessarily requires substantial growth in participation from cohorts currently underrepresented in Australian higher education. For the Final Report, the Review will continue to give consideration to the following policy areas:

a) setting targets for tertiary education participation and attainment, including for higher education, through consultation with JSA and the VET sector
b) setting targets to raise First Nations participation and completion rates in higher education
c) creating specific higher education participation targets for students from underrepresented backgrounds and equity groups to achieve parity by 2035. These groups will include students from low socio-economic, regional, rural and remote backgrounds and students with disability
d) developing a universal learning entitlement to ensure Australians can gain the qualifications and credentials as they need or desire
e) as a priority element of the universal learning entitlement, ensure that all students from equity cohorts are eligible for a funded place at university.

If established, new targets would need to be tightly monitored as a national priority, to ensure accountability and delivery on time. Long-term targets could be supported by short-term step-change targets set in a jurisdictional and institutional context, for example disaggregated by state, region and provider.

2.2: Meeting Australia's future skills needs

> "With the right settings in place, Australia can strengthen its post-secondary education and training system so it's set up to facilitate lifelong learning and support Australia's future economy." – Business Council of Australia

Issues

Australia is not producing enough graduates with sufficient skills and knowledge to meet current and future workforce needs. Without intervention, skills shortages will persist in many professions and other highly-skilled occupations including health, education, IT and engineering, and the nation will be unable to support emerging skills needs and improve productivity as our population grows in size and age. In an increasingly globalised and competitive international economy, we need the skills required to take advantage of future growth opportunities in emerging areas. There is more to do to support more people to be educated at various levels, and for these people to upskill and reskill.

BIS OE preliminary analysis suggests that Australia will require an additional 5.8 million people with higher education qualifications by 2052, with the share of employment that requires higher education increasing from 36% to 55% of all jobs.[43]

Rising to this challenge is made all the more important, considering that in 2022, 35% of all occupations generally requiring a bachelor degree or higher qualification were in shortage, an increase from 19% in 2021.[44] In many of these fast-changing workforce sectors, paraprofessional and advanced technical jobs are also growing rapidly, and need to be served effectively by fit-for-purpose qualifications and opportunities.

The Review has heard graduates need a mix of transferable work-related skills and learning capabilities to participate effectively in the workforce. While new approaches to skills acquisition are emerging in the form of microcredentials, cadetships and other short courses, inconsistent funding arrangements and regulatory frameworks are stifling further innovative course design.

The Review has also heard that transitions between VET and higher education are fragmented and misaligned, making it difficult for students to navigate across sectors and obtain the skills they need. Universities' credit transfer, advanced standing and RPL practices are inconsistent and can act as a barrier to further study.

The Review is exploring how industry and the higher education and VET sectors can establish parity of esteem and collaborate more effectively in the development of innovative course content, and in providing more quality placements and WIL across more courses.

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[43] BIS OE, *Higher Education Qualification Demand* [unpublished].
[44] NSC, *Skills Priority List: Key Findings Report*, NSC, Australian Government, 2022, accessed 16 June 2023.

Innovation and collaboration in higher education delivery – for example, through microcredentials that reflect industry input – is a must.

Innovation in the way that we design and deliver higher education, support students and open up more pathways to learning will promote access and opportunity for all students (but particularly those from disadvantaged backgrounds) to gain the skills they, and the nation, need. If we don't, Australia will miss out on key economic and social development opportunities.

2.2.1 Getting the balance of skills right

Numerous consultations and submissions to the Review noted the need to better prepare graduates with the ability to think critically, research and solve complex problems, and to supplement these generic skills with more discipline-specific and job-relevant knowledge. At the same time, submissions noted that the higher education and VET sectors aren't sufficiently responsive to technical, industry needs. Improving the mix of skills taught in tertiary education, and the quality and applicability of these skills, will require greater collaboration between all stakeholders in the system. Maximising the opportunities, learning pathways and environments through which students can obtain the mix of skills they need in the future is essential to Australia's future prosperity.

Courses must be designed with the skills needs of industry in mind. The Review notes that the development of a shared skills taxonomy, through JSA's work building on the Australian Skills Classification (ASC), will assist in mapping course design to identified skills needs and will be a useful workforce planning tool. The ASC offers a common language of skills which enables stakeholders to identify and articulate skills consistently. Agreement on this is an essential component in the build-out of short-form qualifications and the identification of generic and high-level skills across all types of qualification.

JSA is currently working to map higher education curricula to this common taxonomy so that qualifications can be defined by the specific skills that are taught. Matching this framework with the skills needs of occupations will allow for better matching of skills demand and supply and will be a useful tool in course design. It could facilitate the expansion of more flexible, timely and modular forms of learning, that could be more readily updated to reflect changing workforce needs.

It may also increase the confidence of employers and professional accreditation bodies that graduates are equipped with skills at the right levels of attainment for different jobs. This could be attested through a national skills passport – discussed further in Section 2.2.7.

2.2.2 Serving the professions

One of the major functions of higher education is to produce the skills required for the professions. Critical professions including teaching, medicine, engineering, dentistry, nursing, veterinary science and allied health are all experiencing significant skills shortages nationally, many of which are particularly acute in regional and remote areas.[45] These professions are also where greater numbers are needed in the future. Figure 2.2-1 shows that health care and social assistance (which includes nurses and medical professionals); professional, scientific and technical services (which includes IT and engineering) and education and training (including teachers and early childhood workers) provide over half of the total projected employment growth to 2026.[46]

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[45] NSC, *Skills Priority List.*
[46] NSC, *Employment projections*, NSC website, 2022, accessed 7 June 2023.

Figure 2.2-1: Projected employment growth by jobs by industry, November 2021 to November 2026.

Projected employment growth in proportion and positions
(November 2021 to November 2026)
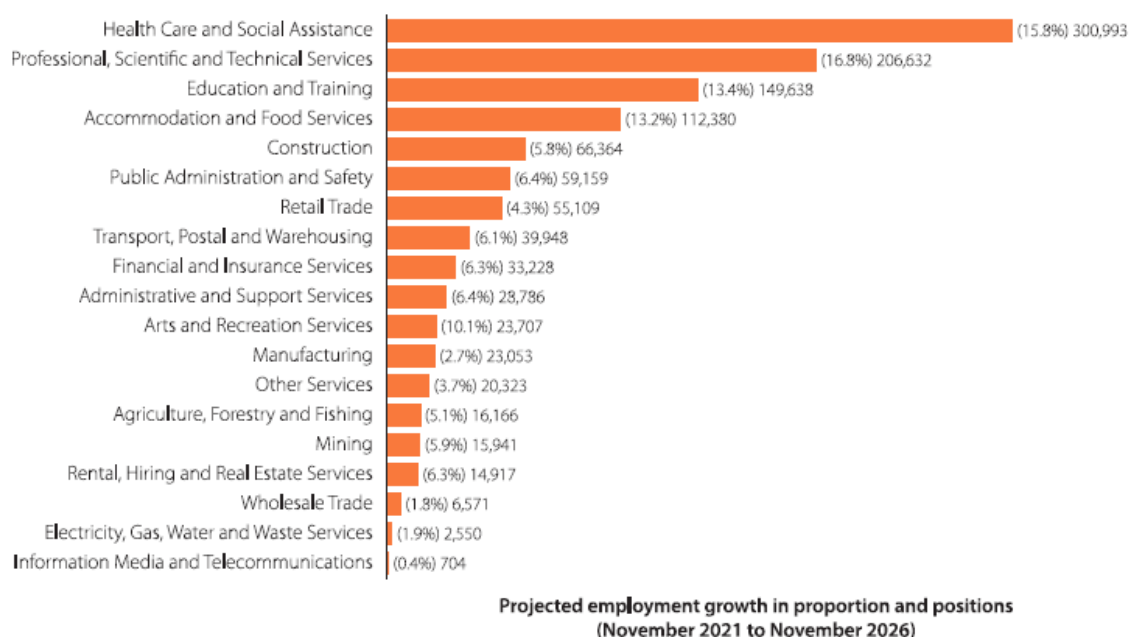
Source: Department of Education reproduction based on JSA, *Employment Outlook: Industry and occupation trends over the five year to November 2026*, [data set] labourmarketinsights.gov.au, 2021, accessed 8 June 2023.

With a growing and ageing population, the need for health professionals and paraprofessionals, particularly nurses and aged and disability carers, will continue to grow. Australia is expected to require more than 40,000 additional registered nurses over the period to 2026, a growth rate of 13.9%.[47] It is expected to require an additional 98,600 ICT professionals (including cybersecurity professionals) over the same period, a growth rate of 26.3%.[48] A growing population will also require greater levels of infrastructure and housing, and the transition to cleaner energy will change the way our energy and industrial sectors operate, driving demand for engineers and planning professionals.

In addition to addressing existing and continuing skills challenges, Australia also needs to address demand for emerging professions and skills in areas of national priority like clean energy, advanced manufacturing, critical technology, minerals and defence.[49]

We need more First Nations people represented in professions like medicine and teaching, recognising the value of specific cultural knowledge when providing these services to First Nations people.

While there have previously been attempts to encourage students into particular courses, skills shortages have continued to persist. The latest attempt was through the JRG package adjusting student contributions, though widespread consensus suggests that students have not responded.

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[47] NSC, *Skills Priority List.*
[48] NSC, *Employment outlook (five years to November 2026).*
[49] NSC, *Skills Priority List.*

"Currently, governments set subsidies based on targeting public benefits and skill needs, but these have little impact on student choice and many students receive large subsidies despite large private benefits." – Productivity Commission[50]

Education for professional, paraprofessional and advanced technical occupations has some specific features and challenges which necessitate greater industry involvement in learning and teaching, as well as research. This includes the need to teach students the skills associated with leading-edge practice in that profession, education in professional ethics, placement, and quality control through accreditation with the professional body. JSA analysis suggests that students aren't graduating with enough of the professional skills required to address the skills needs of business. Their analysis shows that in the first quarter of 2023, employers received around 4.3 qualified candidates per vacancy, but less than half of that number were deemed suitable (2.1 applicants per vacancy).[51] Increased collaboration, and enhanced WIL (see Section 2.2.4), is necessary to ensure that students are graduating with the specific skills required to do the jobs that are required of them.

A greater number of academic staff should be chartered and/or active in the profession they are teaching. This will bring contemporary industry experience to teaching, where relevant, with professional registration. Increased industry engagement will be essential to ensure that curricula can be updated regularly to reflect rapidly changing skills needs.

From submissions and Review consultations, it is clear there is a need to:
- secure greater levels of co-design of the curriculum between industry and higher education
- recognise that professional bodies will be an important part of the ongoing Universities Accord process
- recognise that the funders of professional skills development are also major industry stakeholders, particularly state and territory governments as employers of teachers and healthcare professionals and state, territory and local governments through urban and regional planning professions
- recognise that changing technologies, including artificial intelligence, will impact on both the nature of professional skills and the delivery of education for these occupations
- enhance the dialogue between higher education providers and the professional bodies to ensure graduates are being produced with the right skills for a commencing practitioner but accreditation requirements are not unduly onerous financially on institutions and do not inhibit students from studying broader subjects that also benefit their education
- require academics working in education for the professions to maintain more active contact with the professions to ensure they are equipping students with up-to-date skills and knowledge
- ensure education for the professions includes education in generic skills to a high level of attainment.

These issues will be given further consideration for inclusion in the Final Report.

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[50] Productivity Commission, *5-year Productivity Inquiry: From learning to growth*, Vol. 8, Productivity Commission, Australian Government, 2023, p 51, accessed 16 June 2023.
[51] JSA, *Labour market update - May 2023.*

2.2.2.1 Professionally accredited graduates

Demand for professionally accredited graduates is also outpacing supply in many other professional areas. Appropriate reform of pathways to registration, accreditation and placement requirements has major potential to streamline the training of professionals and ensure sufficient workforce supply into the future.

To ensure learning, competency and registration standards are met, several factors must be addressed. For example, restructured course design to recognise competencies and prior experience (instead of meeting mandatory minimum hours of practice) could accelerate completions and free up training and placement opportunities. In some fields, the use of pre-vocational roles, cadetships or extended clinical training blocks could integrate students more quickly into the workforce to make important contributions in their field of study. Alternative approaches, such as learning using simulation and virtual reality could also be used more widely to accelerate acquisition competencies and reduce clinical practice requirements.

The Review notes these are complex issues, intersecting with jurisdictional responsibilities, professional accreditation standards, and federal financing arrangements. Better coordination and funding of workplace training and enabling innovation in training pathways requires stronger engagement across governments and with unions and industry.

2.2.2.2 PhD graduate researchers

Australia's research training is also relevant to Australia's transition to a more knowledge intense economy, especially in critical fields, including critical technology fields such as biotechnology, quantum computing and clean energy generation and storage technologies.[52]

In certain fields there is an urgent need to train enough highly-skilled researchers. For example, supporting the AUKUS nuclear submarine program will require a significant increase in the number of locally trained nuclear engineering doctoral-level researchers, and expansion of specialist and targeted programs and qualifications.[53] In the short term, Australia may have to rely on experts from the United States and United Kingdom to assist with this endeavour.[54]

Beyond their deep technical expertise, Australia's researchers and higher degree by research (HDR) graduates should also have transferable critical thinking and problem-solving skills.[55]

2.2.3 Moving towards an aligned tertiary system

"Students, employers and the Australian economy require an integrated tertiary education system…where skills training and higher education sectors operate as one but retain their separate strengths and identities." – Independent Tertiary Education Council Australia

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[52] Department of Industry, Science and Resources (DISR), *List of Critical Technologies in the National Interest*, DISR website, 2023, accessed 16 May 2023.

[53] B Packham, 'Subs need 108 PhD-level nuke scientists a year', *The Australian,* 6 March 2023, accessed 15 June 2023.

[54] N Martin, 'Three tiers and more than 8000 new engineers: what it will take to deliver AUKUS nuclear submarine program', *UNSW Newsroom,* 31 March 2023, accessed 16 May 2023.

[55] Australian Technology Network of Universities (ATN) and Nous Group, *Enhancing the Value of PhDs to Australian Industry*, ATN website, 2017, accessed 16 May 2023.

Many students move between the higher education and vocational education sectors during their lifetime, using VET as an entry pathway into higher education or supplementing their higher education with more job-specific skills from VET. These transitions should be as seamless as possible.

Professions expected to be in demand, such as nursing and early childhood teaching, require skills commonly acquired across both VET and higher education, and qualification pathways exist for people to further their careers (enrolled nurse to registered nurse and early childhood carer to early childhood teacher). Likewise, graduates studying across all professions may benefit from trade-specific VET qualifications, or general workforce qualifications in project management and training and assessment.

Higher education to VET pathways are particularly important for supporting more underrepresented students to participate and succeed in higher education. Low SES, regional and First Nations students are more likely to use VET as a pathway into higher education.

Students are increasingly engaging in multidirectional and non-linear learning pathways. For example, the number of students choosing to enrol in VET after completing a higher education qualification is growing. The proportion of students enrolled in VET courses with a bachelor degree or higher qualification has steadily risen from 7.4% in 2015 to 10.3% in 2020. In 2020, the proportion was highest in education (20%), health (18%), natural and physical sciences (15%), and management and commerce (14%).[56]

Collaboration between VET and higher education is essential for improving skills development. Increasingly skills development in many areas of study will require both the best elements of VET and higher education. An Accord for the future of the tertiary sector needs to bring together governments, education providers, employers, regulators, peak bodies for the professions and the labour movement in a shared purpose to better align skills development across the tertiary sector with the skills needs of employers and workers. We need to eliminate some of the cultural barriers that have historically existed between the VET and higher education sectors and see both sectors as distinct but equally important parts of the skills development system. The Review considers that reforms to the AQF (see Section 3.1) are also necessary to facilitate this collaboration.

Funding arrangements for VET and higher education need to be more unified and consistent. The Review heard of circumstances where funding and regulatory inconsistencies have stood in the way of innovation across the tertiary sector. Funding arrangements should not act as a barrier to effective collaboration between VET and higher education providers, or to course delivery for dual sector providers. The Review is giving further consideration to suggestions of extending CSPs at some AQF levels to the TAFE sector in areas of key skill need.

We need to encourage innovative methods of course delivery, particularly in areas of national priority such as health care, clean energy and defence. Industry providers should be engaged in course design with VET and higher education providers to identify key learning requirements across both sectors. Some stakeholders, including the University of Newcastle, have suggested that Cooperative Skills Centres could be established in key areas of urgent need. These would be modelled on the successful Cooperative Research Centres (CRC) program, and could link with similar centres of skills excellence, developed through collaboration with Vocational Education providers, through the National Skills Agreement. These centres would bring together higher education, VET,

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[56] National Centre for Vocational Education Research (NCVER), *VET student outcomes 2022*, NCVER website, 2022, accessed 7 June 2023.

industry and unions to develop and deliver courses that rapidly upskill people in areas of industry need.

The Review will explore the concept of Cooperative Skills Centres, linking higher education, VET and industry, as a way to develop new skills and qualification pathways in priority areas such as energy.

Case study: Deakin University guaranteed entry pathway

Deakin University is not a dual-sector university, but nevertheless in 2021 it had a relatively high proportion of VET admissions and provided amongst the most credit for previous VET study.

The Deakin University Guaranteed VET entry pathway provides guaranteed entry into higher education qualifications for students who have successfully completed a related VET qualification at a partnered TAFE. Pathways exist for higher education qualifications in design, business and commerce, construction management, communications, creative arts, IT and engineering.

These arrangements are facilitated through study partnerships with various TAFEs across Victoria and NSW, with RPL built into the course structures. The pathways are well mapped out for students, with clear criteria for admission and RPL.

2.2.3.1 Better standards for admission practices and credit recognition

Evidence suggests admission practices and RPL differ markedly across universities. While some differentiation is justified to reflect the courses that different universities teach and the competencies required from students, it should not act as an undue barrier to further study. For example, it should not create inefficiencies, whereby students are duplicating skills and learning experience they have already obtained, or transaction costs as students have to navigate complexity. This also creates unnecessary costs in terms of time and funding.

Practices also differ substantially across different fields of education. Nursing, early childhood teaching and social work have well developed pathways between VET and higher education as they tie directly to accreditation requirements within occupations. But pathways in other fields of education are less developed or concentrated in a limited number of universities.

Achieving greater consistency and RPL in admission practices requires greater collaboration between tertiary providers. Pathways need to be developed and curated with RPL and credit built into course design. The Review believes that there should be acknowledgement of innovation and a wider adoption of best practice in this area, and that consideration could be given to the development of guiding principles for RPL.

2.2.4 Supporting students to undertake placements

The Review has heard that difficulties supporting sufficient placements in healthcare (particularly nursing, allied health and psychology) and education are exacerbating shortages in these critical professions (with similar effects in other professions). These occupations are also facing challenges of attrition, which further reduces the ability of the workforce to support increasing placements. The cost to universities of providing placements is increasing faster than funding. Without addressing these issues, initiatives to boost the number of students entering the system in critical health workforce areas will fail.

Mandatory WIL and clinical training requirements often require students to forego paid work to undertake these unpaid placements. This places significant pressure on students, exacerbated for

students from low SES and regional backgrounds and students (most commonly women) who have caring responsibilities. Issues of transport and accommodation costs, especially for regional students required to travel to undertake placements, are yet other barriers. This is discussed further in Section 2.3.

The Review will explore the possibility of requiring some form of financial support for students undertaking mandatory placements.

The Review considers there is merit in exploring the development of principles and standards for some level of support or stipend for students undertaking mandatory placements – with particular urgency for teachers and nurses (working with states' and territories' departments and agencies employing the bulk of these nurses and teachers). Careful consideration of these arrangements is needed, including whether changes are required to provisions within the *Fair Work Act* relating to payment for vocational placements.

2.2.4.1 Further support for workforce retention

The Review notes that a range of factors contribute to workforce shortages, beyond the interactions of the higher education ecosystem. These include occupation-specific issues of attrition and pay, as well as higher prevalence of part-time work and casualisation, particularly in female-dominated industries like nursing and teaching. Current economy-wide supply constraints are being exacerbated by high demand for engineering in construction and infrastructure.[57]

The Review is exploring new HELP policies to encourage graduates to remain in valued occupations and in priority communities.

The Review considers that options to encourage students to enter and stay in valued occupations should be explored. One example could include covering a proportion of HELP debt for every year they stay. These options have been utilised through the HELP system to allow doctors and nurse practitioners who work in rural, remote and very remote areas and teachers who work in very remote areas to receive reductions in HELP debt, such as reductions in accumulated HELP debts or waivers of indexation. There have been calls to expand similar arrangements to other critical professions, particularly in remote and regional areas. As the states and territories are the most significant employers of nurses and teachers, for example, government employers waiving HELP debts through existing payroll mechanisms may be an effective approach to supporting these workforces. It will be important to avoid upfront mechanisms that have little practical effect like JRG, or result in different jurisdictions competing for the same workforce in a costly way, for example by states and territories paying the fees of nursing and teaching students upfront.

2.2.5 Increased industry engagement in learning

> "Placement and WIL is essential to ensure that graduates are ready and employable. The more 'real world' skill application that is incorporated into tertiary programs, the better." – Association of Australian Medical Research Institutes

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[57] Engineers Australia, *Strengthening the engineering workforce in Australia: Solutions to address the skills shortage in the short, medium, and long term*, Engineers Australia, 2022, accessed 7 June 2023; Infrastructure Australia, *Infrastructure workforce and skills supply: A report from Infrastructure Australia's Market Capacity Program*, Infrastructure Australia, Australian Government, 2021, accessed 7 June 2023.

The 2021 Industry University Collaboration Review identified that access to high-quality industry experience is vital to ensuring that future graduates are work ready. It also highlighted that universities and businesses need to work together to give students access to practical work experience and real-world technology so they can develop the skills that industry needs.[58]

New models of WIL delivery include Advanced Apprenticeships, which are being trialled by the Australian Government through the Women in STEM and Industry 4.0 programs at AQF 5 and 6 levels, and Degree-Apprenticeships programs which combine study with paid employment and work-based learning. Degree Apprenticeships are widely used in the United Kingdom and are currently being explored by several Australian universities and TAFE institutes. A growing range of providers are also developing and trialling the use of cadetships and work-based learning programs that combine work-based learning with study and bring together elements of both higher and vocational education course designs. Recent examples include the Flinders University partnership with BAE systems to develop a Diploma of Digital Technologies to support the ship building workforce for Defence projects in South Australia.

2.2.5.1 Lifting the quality and availability of WIL

Reports produced over the past 10 years have shown a strong link between WIL and positive student, university and industry outcomes.[59] WIL builds stronger connections to the workforce while studying and improves employability and career satisfaction. Young graduates (aged 25) in fields with a high prevalence of WIL learning report a higher level of satisfaction in their careers.[60]

> "For Australia to remain competitive now and into the future, our university graduates need to be work-ready, graduating with industry-relevant knowledge and skills, with the ability to apply them to add value in professional workplaces immediately upon graduation. Work Integrated Learning (WIL) supports students to do just that, by applying and deepening their degree learning in authentic work settings and contexts." – Swinburne University of Technology

The benefits of WIL are clear but there are numerous barriers preventing its uptake and broader implementation. Developing the necessary mutual understanding and meaningful relationships between universities and industry can require time, expertise and resources that are not always available. Both universities and industry have reported on the difficulty of managing multiple relationships that have individual requirements.

Commonwealth, state and territory governments could support innovative models of WIL with flexibility in relation to regulatory and funding settings and willingness to allocate Commonwealth supported and funded training places to them in areas of priority skills demand. In particular, new models in higher education seeking to combine study and paid employment do not have the same

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[58] M Bean and P Dawkins, *Review of University-Industry Collaboration in Teaching and Learning*, Department of Education, Skills and Employment (DESE), Australian Government, 2021, accessed 7 June 2023.
[59] Universities Australia (UA), Australian Chamber of Commerce and Industry (ACCI), AiGroup, Business Council of Australia (BCA) and Australian Collaborative Education Network Limited (ACEN), *National Strategy on Work Integrated Learning in University Education*, ACEN website, 2015, accessed 7 June 2023; Office of Teaching and Learning, *The impact of work integrated learning on student work-readiness* [PDF], Office for Learning and Teaching, Australian Government, 2014, accessed 7 June 2023; D Edwards, K Perkins, J Pearce and J Hong, *Work Integrated Learning in STEM in Australian Universities*, report to the Office of the Chief Scientist, Australian Council for Educational Research (ACER), 2015, accessed 7 June 2023; Universities Australia, Work Integrated Learning in Universities: Final Report [PDF], Universities Australia, 2019, accessed 7 June 2023.
[60] AiGroup, *Connecting the Dots: Exploring young Australians' pathways from education and training into work*, AiGroup, 2023, accessed 7 June 2023.

support as VET apprenticeships that are underpinned by National Training Contracts and industrial relations protections.

Industry funding, capacity and uptake is another important consideration in increasing the prevalence of WIL. In fields with lower WIL participation, such as commerce, humanities and science, there is scope to increase industry engagement to provide more WIL experience.

There is also a need to find more effective methods of organising placement in WIL, possibly through placement brokers working with students, employers (especially small and medium-sized enterprises (SMEs)), and higher education institutions. Such a broker could be arranged to cover specific regions or disciplines.

> "One of the major hurdles to student completions in critical areas such as nursing, allied health and teaching is the successful completion of student placements. Too often this represents a key attrition trigger for students, particularly low SES students, who need to pause or give up paid work and sometimes relocate in order to complete the required hours." – Charles Darwin University

2.2.6 Fast, stackable and portable skills pathways

Traditional degree qualifications do not always supply graduates with all the skills they need. A model of linear progression mainly through three- and four-year degree programs is not sufficient to support the growing demand to update and refresh skills throughout a working lifetime.

The Review has heard evidence that there is growing need for people to update and refresh their skills, along with whatever foundational and enduring knowledge they develop from existing higher education and vocational qualifications. Over the next two decades Australian workers will change jobs an estimated 2.4 times and it is estimated that tasks within Australian jobs will change by 18% every decade, requiring workers who stay in their jobs to update their skills to navigate these changes.[61] We cannot expect that people will take significant time out of the workforce to obtain the qualifications they need.

> "Currently there is no incentive for mature age persons in full-time work to access education and reduce their income. Most mature age persons remain outside of the higher education system or do not take the opportunity to reskill because they have no other means of financial support outside of paid work." – La Trobe University

The tertiary sector must adapt to facilitate growth in lifelong learning. Higher education will need to provide multiple entry and exit points that allow people to develop skills and build to recognised credentials or qualifications in a modular, more 'stackable' way. This could encompass a wide range of qualification types across the tertiary sector, including undergraduate short courses, microcredentials, cadetships or WIL, associate degrees, diploma-level qualifications and advanced degrees.

2.2.6.1 The role of microcredentials

Microcredentials have significant potential to provide stackable learning and training. Nationally and internationally recognised microcredentials are already being developed for this purpose and are

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[61] JSA, *Employment Projections*.

starting to be incorporated into Australia's tertiary system. In New Zealand, the national qualification authority accredits microcredentials as well as assigning them credit points.[62] In the United Kingdom, the Government is trialling higher education short courses as part of its approach to delivering a new student finance product, designed to provide learners with shorter, flexible options to develop their skills.[63]

> ### Case study: NSW Institutes of Applied Technology
>
> Following the 2020 Gonski-Shergold Review into the New South Wales (NSW) VET sector,[64] the NSW Government has supported the development of two Institutes of Applied Technology (IATs) focusing on the digital and construction industries, which are both underway. The IATs are established in partnership between industry, universities and TAFE to co-develop and co-deliver microcredentials with a focus on industry skills requirements and attracting students through innovative course design. Students merge the knowledge gained through university study with hands-on technical skills acquired through vocational education.
>
> Submissions to the Review have illustrated the early successes of these programs. The IAT-Digital Foundation partners noted that through the IAT-D program there have been 11,968 enrolments with 5,100 students currently undertaking micro-skills in data analytics, cyber security, cloud computing and artificial intelligence (all critical and emerging areas of need).[65]
>
> The Review welcomes this success and supports this level of innovation as a successful model for future collaboration between the education sector and industry partners.

The Review proposes to further consider what changes should be made to the funding, credit and regulatory systems required to support students to undertake quality, stackable microcredentials in priority skills areas. Similarly, the Review is considering how best to recognise the need for microcredentials so learners can be confident that the skills they gain are recognisable and portable.

The Review proposes to further consider what changes should be made to the funding, credit and regulatory systems required to support students to undertake quality, stackable microcredentials in priority skills areas.

To be a viable option for people to upskill and reskill, students and employers must be certain that the microcredentials are reputable. Public subsidies, including HELP, should only be provided for microcredentials that have proven quality and which address areas of skill need. The work to establish a strong funding framework could be guided by the 2021 Australian Government Microcredentials Framework which provides guidance on the definition and quality standards of accredited microcredentials, including those that may receive public support.

2.2.6.2 Providing nested qualifications

The Review notes the recommendation of the Productivity Commission that opportunities to exit higher education with a nested qualification should be expanded.[66] The Review believes there is

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[62] New Zealand Qualifications Authority (NZQA), *Micro-credentials*, NZQA website, 2023, accessed 24 May 2023.

[63] Office for Students (OfS), *Higher education short course trial*, OfS Website, 2023, accessed 7 June 2023.

[64] D Gonski and P Shergold, *In the same sentence - bringing higher and vocational education together*, Department of Education, New South Wales Government, 2021, accessed 7 June 2023.

[65] Institute of Applied Technology – Digital, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[66] Productivity Commission, *5-Year Productivity Inquiry: Advancing Prosperity. Recommendations and Reform Directives*, Productivity Commission, Australian Government, 2023, accessed 7 June 2023.

substantial merit in shorter, formally recognised qualifications that can provide upskilling opportunities for people, and which can also articulate into longer qualifications if people wish.

Case study: Undergraduate Certificate

The Undergraduate Certificate (UC) was introduced as an AQF qualification in 2020 to support Australians to reskill or upskill in anticipation of an expected economic downturn during the COVID-19 pandemic. UCs are 6 months of full-time study. To date, 8,865 have commenced a UC qualification and 3,229 have been completed. The most popular fields of study have been in education, health, agriculture and environmental studies and IT.[67]

UCs can also be awarded as an exit qualification for people who have completed the requirements of qualification nested within a longer course of study. This has the potential for people who attrite from a full course of study to nevertheless obtain a formal qualification.[68] UCs are still relatively new and are due to be formally reviewed by the end of 2024 to determine their suitability to become a permanent part of the AQF.

2.2.7 National skills passport

Being able to navigate sectors and pathways will become increasingly important as people undertake more learning across their lifetime and engage more with shorter and modular forms of learning. We should facilitate an individual's ability to build a portfolio of credentials, potentially in the form of a skills passport. This could be used to demonstrate their skills to potential employers, as well as identify potential opportunities for further study.

The Review supports the idea of a national skills passport to help graduates impress their qualifications on employers, become more employable and achieve career progression.

A national skills passport could build on the National Credentials Platform (NCP) which aims to be a secure digital platform for students and graduates to access, compile, display, and share their higher education qualifications, microcredentials and general capabilities. Preliminary work on the NCP commenced in 2019, and included research to identify the needs of learners, employers and tertiary education providers in a potential NCP. Further development of the NCP would progress Australia towards international best practice, exemplified by Singapore's unified credentials platform MySkillsFuture.[69]

Case study: Singapore Government's MySkillsFuture

MySkillsFuture is a comprehensive government portal that enables Singaporeans to make informed learning and career choices to pursue their skills and career development throughout their lifetime. The online portal connects learners with information on education and training opportunities, employment resources and job opportunities as well as providing insights on industries and potential educational pathways into gaining careers in those industries.

The Skills Passport is part of MySkillsFuture which allows students' skills (language, technical, competencies), certificates (education and/or professional) and licences (driving, vocational). Information stored in the Skills Passport can be used to build a professional profile which can be shared with employers.

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[67] Department of Education, *Higher Education Statistics – 2021 Student Data*.

[68] TEQSA, *Applications for accreditation of Undergraduate and Graduate Certificate courses*, TEQSA website, 2023, accessed 7 June 2023.

[69] Dawkins and Bean, *Review of University-Industry Collaboration in Teaching and Learning*.

2.2.8 Helping students understand and navigate pathways

"By supporting those students who may not otherwise have attended university, TAFEs are both enhancing the diversity of and expanding the tertiary education sector through the provision of new and innovative pathways into higher education." – TAFE Directors Australia

Navigating pathways in and across the tertiary education sector is needlessly complicated for students. Information available to students is spread across too many disparate platforms to be useful. Linkages to careers advice or occupational information is inconsistent and difficult for students to identify potential skilling needs and opportunities. More accessible and navigable information, including digital platforms that identify learning opportunities, could be unified across higher education and VET to better support students better pursue pathways across the tertiary education sector that suit their circumstances. Government websites that identify upskilling and reskilling options across VET and higher education, and which identify potential links to careers, must also connect better. This will improve learners' ability to navigate available options and identify potential occupations of interest, and then understand the skills required and how these can be obtained.

Over time, the ASC integrated with a unified national credentials platform would allow digital access to targeted information about different credentials and learning opportunities and the job opportunities they could be applied to.

2.2.9 The role of migration in addressing skills needs

Skilled migrants play an important role in addressing Australia's skills needs and will continue to do so in the future.

The extension of post-study work rights (PSWR) for international graduates with degrees corresponding to areas of skills shortage was announced at the Jobs and Skills Summit and will be implemented by the Department of Home Affairs from 1 July 2023. This will contribute to addressing Australia's critical skills shortage, and also contribute to the broader network of Australia's international connections.

The Government's migration review outline sets out policy directions regarding international students such as providing faster pathways to permanent residence for the skilled migrants and graduates Australia needs and increasing integrity in the visa system.[70] Ongoing investment in and support for educational pipelines that support key sectors and priorities for the government will ensure the ongoing safety and security of the workforce.

Industry attitudes towards hiring international students and graduates requires significant attention. Universities play a pivotal role in connecting industry with international students, including communicating the benefits of employing international students and addressing misinformation

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[70] M Parkinson, J Howe and J Azarias, _Review of the Migration System Final Report_, Department of Home Affairs, Australian Government, 2023, accessed 14 June 2023.

regarding international visa limitations. They also play a role in supporting international students who may not always be aware of what employment opportunities exist for them both during and post-study. Ensuring international students, particularly those studying in areas of Australia's skills needs, are connected to industry throughout their education will facilitate better pathways into employment and therefore help meet workforce shortages.

Considerations for change

To ensure Australia's skills and workforce needs can be met now and into the future, and to safeguard our national prosperity, the Review will continue to give consideration to the following policy areas:

a) new policy levers to enhance capability across the tertiary education sector, enabling it to respond rapidly to Australia's skills needs and deliver the necessary numbers of graduates with professional, disciplinary and high order generic skills
b) the creation of a universal learning entitlement that helps all Australians access high-quality tertiary education and makes lifelong learning a reality
c) examining new and effective mechanisms for rapid reskilling, including microcredentials
d) improving the integration of higher education and VET to create new types of qualifications – starting in areas of national priority – like clean energy, the care economy, and defence
e) improving skills pathways by creating qualifications that are more modular, stackable and transferable between institutions and institution types
f) addressing barriers that prevent VET and higher education working together, especially in courses and institutions that involve both sectors
g) using arrangements between industry, unions and governments to progress the recommendations of the *Review of the Australian Qualifications Framework* – this should be a matter of priority
h) extending CSPs at some AQF levels to the TAFE sector in areas of crucial skills need
i) improving the RPL and relevant work experience through a national skills passport or similar mechanism
j) increasing the absorptive capacity of new knowledge by Australian employers through greater collaboration with universities
k) improving WIL and placements by providing participating students with better incentives and financial support
l) establishing a national jobs broker system, to assist students to find work placements and part-time jobs in their fields of study.

Potential proposals the Review may also consider for the Final Report, and that reflect the broad themes outlined above, include:

Increasing our understanding of future skills needs:

a) utilising advice from JSA through a Tertiary Education Commission on Australia's future skills needs and actions needed to meet them
b) improving workforce planning through mapping all AQF qualifications across higher education and VET, building on the ASC
c) expanding and updating flexible modular qualifications and programs in key areas of workforce demand, with increased development of microcredentials, associate degrees and advanced diplomas.

Driving greater alignment and enhancing coordination and collaboration between the higher education and VET systems:

a) governments, regulators, employers, labour movement, peak bodies for the professions and education institutions, working under an Accord process to increase systemic investment (from multiple sources)
b) increasing student mobility and pathways across sectors through cultural and institutional arrangements, enabling consistency in RPL and credit recognition and greater levels of course co-design with RPL built in
c) extending eligibility for CSPs to other institutions, notably TAFEs
d) developing better models of RPL and experience as part of training pathways, including establishing competency-based standards to accelerate skills development
e) introducing Cooperative Skills Centres (modelled on the Cooperative Research Centres Program) as university/industry/union joint ventures for fast skilling up in areas of urgent industry need
f) requiring higher education and VET sectors to work together under a more aligned system.

Ensuring rigorous, consistent levels of skill, knowledge and transferability of courses:

a) progressing the intent of the recommendations from the *Review of the Australian Qualifications Framework* through arrangements with industry, unions and governments, as a matter of priority
b) providing more flexible approaches to qualifications design that allows skill levels to be better recognised, including for microcredentials
c) developing a modular, stackable, integrated approach to qualification design, credit and articulation processes.

Ensuring Australia's workforce is absorbing and utilising new knowledge:

a) encouraging higher education providers working with industry and leading-edge researchers to revise curricula on a regular basis to check for new knowledge inclusion especially in high priority disciplines (utilising data and analysis from JSA and others as appropriate
b) increasing the absorptive capacity of Australian businesses through greater university-industry collaboration.

Providing better access to, and support for, students undertaking WIL and placements:

a) co-designing a framework to guide WIL and placement experience with higher education institutions, VET, industry, employers, professional accreditation bodies and governments
b) providing appropriate financial support to students on compulsory placements, particularly to address urgent skills shortages
c) exploring pre-vocational 'cadetship' roles in key industries and models and pathways which support 'earning while learning' models in key industry sectors, such as advanced apprenticeships.

2.3: Equity in participation, access and opportunity

"Australia needs a higher education system that offers the same opportunities regardless of someone's location, financial circumstances, or cultural background." – Verity Firth AM, Pro Vice-Chancellor, University of Technology Sydney

Issues

Australian higher education attainment has risen significantly over the last 30 years, allowing millions of people who would otherwise have missed out to experience the transformative power of higher education. This is a magnificent national achievement, but too many people are still missing out. Australia's increasingly diverse population is a major asset and to succeed as a nation we must ensure that everyone, regardless of their background, financial circumstances or where they live, can participate in, and be empowered by, higher education.

This section discusses several crucial issues. How can our higher education institutions provide a strong foundation for First Nations people to succeed and help us meet currently stalling Closing the Gap targets? How do we increase participation and advance student success for disadvantaged groups? What can we do to tackle the dismayingly high cost of living that deters many students and makes it difficult to continue their important and potentially life-transforming studies?

2.3.1 A system-wide approach to increasing access and equity

With a bigger higher education system, it must be made more accessible and equitable as a matter of urgency. Old approaches are not working, and innovation and evidence must be employed in this important task. The challenge is stark. While 44.6% of people aged 25 to 34 years currently have bachelor-level knowledge and skills, this falls to 32% for the whole population (those aged over 15).[71] Only 17.3% of people aged over 15 living in low socioeconomic areas, 15.2% of people living in regional and remote Australia, and only 7.4% of First Nations people have a bachelor degree.[72] This inequity is unsustainable in a fast-evolving, knowledge-based global economy and society.

Increasing participation rates requires a deep commitment to student success. Too many students with lesser means do not complete their studies due to financial and family pressures that combine to lure them back to full-time work. In 2020, 16% of low SES commencing bachelor students left study without completing their course, compared to 14% for medium SES and 9% for high SES students.[73] Students from underrepresented backgrounds are not spread evenly across institutions (refer Table 2.3-1).

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[71] ABS, *Education and Work, Australia.*
[72] ABS, *2021 Census Data*, ABS website, 2023, accessed 8 June 2023.
[73] Department of Education, *Higher Education Statistics –Student Data* [unpublished data].

Tackling this participation problem will require all institutions to actively support students from all backgrounds to enrol and succeed. Every part of the higher education system must set out to achieve greater equity.

Table 2.3-1: Equity participation and representation in 2021 domestic undergraduate student population by institution affiliation.

University Network	Low SES	Regional and Remote	Students with disability	First Nations	Total Domestic Undergraduate Students
Group of Eight	10.4%	11.0%	11.8%	1.1%	20.3%
Innovative Research Universities	22.2%	22.5%	9.1%	2.8%	16.4%
Australian Technology Network of Universities	17.7%	11.6%	11.1%	1.2%	13.4%
Regional Universities Network	27.0%	48.3%	11.3%	4.1%	12.0%
Unaligned	15.7%	19.8%	9.6%	2.1%	33.4%
NUHEPs ***	16.4%	13.6%	7.3%	1.9%	4.5%
Total	17.4%	20.5%	10.3%	2.1%	-
Population parity*	25.0%	26.1%	**	3.4%	-

Source: Department of Education internal analysis based on Department of Education, _Higher Education Statistics - 2021 student data_ [data set], education.gov.au, 2021, accessed 8 June 2023.
* Population parity figures indicate the proportion of the total Australian adult population (20-64 years) who belong to each group and are derived from the 2021 Census of Population and Housing, except for low SES which by definition is one quarter of the population.
** Census collections for data relating to people with a disability use alternate definitions to higher education data collection. A parity figure for disability needs to be determined in consultation with the higher education sector to ensure the data and value is robust.
*** Non-university higher education providers.

2.3.1.1 A new funding system to support students from all backgrounds

The Review is giving consideration to the need for funding for learning and teaching to support more equitable participation and attainment. Current equity funding is inadequate and will become more so as the need for greater equity increases. As part of JRG, funding for the Higher Education

Participation and Partnerships Program (HEPPP) was reduced by over $200 million (2020-21 to 2023-24), with the program becoming part of a broader fund – the Indigenous, Regional and Low SES Attainment Fund (IRLSAF). Its focus was broadened from assisting students from low SES backgrounds to assisting First Nations students and those from regional and remote Australia.

> "It [HEPPP] has never reached the amount recommended in the Bradley Review, which was originally proposed as 4% of the Teaching and Learning Base Funding Grant. HEPPP funding was cut in the 2011–12 Budget and 2016–17 Budget and now sits at approximately 1.8% of CGS (including enabling and regional loadings)." – Equity Practitioners in Higher Education Australasia

The Review has heard that the cost of supporting students from underrepresented and educationally disadvantaged cohorts has risen, making current funding levels increasingly insufficient.

Broader changes to the level of base funding for CSPs introduced through JRG have also reduced the resources available to universities to provide the academic support needed to facilitate student completion of degrees. This is further discussed in Section 3.3.

To increase retention, institutions need to ensure students receive appropriate pastoral support. This includes measures that generate social inclusion and foster a sense of belonging: mentoring, extra-curricular activities, tutoring, and foundational skills and academic preparedness programs. This is further discussed in Section 3.2.

There is also a growing body of evidence pointing to the positive effects of learner-centred learning design and pedagogical models and increasing differentiation as noted in Section 2.4.

Measures to ensure equitable access for people with disability are also expensive, including the identification and implementation of reasonable adjustments and support mechanisms. The Review considers that any new funding system must reflect the additional costs incurred by institutions in teaching particular cohorts of students. This is explored further in Section 3.5.

> "Support for people with disability in tertiary education has been largely overlooked in terms of appropriate strategy, policy and funding settings which properly support access, participation, retention and success." – Australian Disability Clearinghouse on Education and Training

2.3.1.2 Boosting First Nations participation

First Nations people remain underrepresented in universities, comprising 2% of the domestic undergraduate student population in 2021, despite making up 3.8% of the total Australian population at the 2021 Census.[74] The introduction of demand driven funding for this cohort from 2021 guarantees a fully funded university place for First Nations people from regional and remote areas accepted into a bachelor-level course. This positive initiative removes one crucial barrier to higher education for First Nations people. Extending this measure to all First Nations people, regardless of where they live will, the Review believes, have a positive effect.

There is clearly demand for higher education from First Nations students, with the number of First Nations people commencing a bachelor degree more than doubling since 2008 to 5,687 in 2021.[75] In

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[74] Department of Education, *Higher Education Statistics –Student Data – 2021 Section 11 Equity groups.*
[75] Department of Education, *Higher Education Statistics –Student Data – 2021 Section 11 Equity groups.*

2021, full-time equivalent enrolments by First Nations students in metropolitan areas saw strong growth (6%).[76] This suggests that extending guaranteed CSPs to metropolitan First Nations students has the strong potential to boost participation and contribute to the Closing the Gap targets. Initial estimates by the Department of Education indicate that this could result in funding for an additional 5,423 places for First Nations students by 2034.

While the introduction of demand driven funding for regional and remote First Nations students under the JRG provides further opportunities for university, the changes to student contributions implemented unfairly affected First Nations students. On average, student contributions for First Nations students increased by 14%, compared to 10% for all students.[77] Changes to student contributions under JRG are further explored in Section 3.3.

> **Immediate action:**
>
> Ensure that all First Nations students are eligible for a funded place at university, by extending demand driven funding to metropolitan First Nations students.

This is a first step towards ensuring access to higher education for students from underrepresented backgrounds.

2.3.1.3 Supporting students to succeed

As the higher education system grows, a more diverse student cohort will require additional support to succeed.

As well as better learning and teaching (see Section 2.4), timely and targeted institutional support will make a big difference. Stakeholder feedback points overwhelmingly to the discouraging effects of the 50% pass rule, introduced under the JRG arrangements.

Under this rule, students who fail more than 50% of their units of study are no longer eligible to access Commonwealth assistance for their course. The measure is causing undue stress for students and advice suggests that more than 8,000 students have been or are at risk of being affected by this rule.[78] Students from underrepresented groups at university make up the majority of those affected and First Nations students are around twice as likely to be affected as their non-First Nations counterparts.

Any changes to these arrangements need to be accompanied by stronger accountability and reporting processes to better track students' learning and engagement, as part of their progress at key milestones in their units. This holds institutions to account for identifying at-need students as early as possible to implement tailored strategies. This is also to ensure students do not unnecessarily accrue debt without gaining a qualification.

> "Low SES student cohorts are generally more adversely impacted than others through these measures. An increase in proactive student learning support and

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[76] Department of Education, *Higher Education Statistics –Student Data* [unpublished data].
[77] Department of Education, *Higher Education Statistics –Student Data* [unpublished data].
[78] Advice to the Accord Panel from Universities Australia [unpublished], 2023.

guidance intervention mechanisms would be more effective in enabling these student cohorts." – Arts, Education and Law Group, Griffith University

Immediate action:

Cease the 50% pass rule, given its poor equity impacts, and require increased reporting on student progress.

2.3.2 Opening the doors of opportunity

Increasing higher education participation rates can't be achieved by universities alone. Early learning, schooling, and VET systems have a big role to play. Efforts at the higher education level must be matched by these other institutions.

2.3.2.1 Increasing aspiration and confidence

To increase participation from underrepresented groups, universities must look outwards and develop stronger links to the school and VET systems and the wider community. The aim must be to develop the aspirations of potential students and encourage the self-belief they need to pursue further education. There is an important role for pathway programs, alternative entry provisions, and innovative community outreach activities.

There are numerous examples of strong outreach initiatives, including collaborative approaches between institutions such as the Queensland Widening Participation Consortium.

Case study: Queensland Widening Participation Consortium[79]

The Consortium is a collaborative initiative between CQUniversity, Griffith University, James Cook University, Queensland University of Technology, the University of Queensland, the University of Southern Queensland, the University of the Sunshine Coast, and the Australian Catholic University.

The Consortium works with students, parents and caregivers, community members, schools, vocational education institutions, industry, and employers to increase participation and aspiration. In 2022, the Consortium partnered with 288 schools (67 primary and 221 secondary) as well as adult learners, First Nations organisations, and other community groups. Two-thirds of the schools were located in regional and remote locations, and 14% of their enrolments were Aboriginal and Torres Strait Islander students.

As the Napthine Review noted,[80] improved connections are needed to build aspiration among regional, rural and remote students. For example, Charles Darwin University's Bidjipidji School Camp provides a culturally safe university-taster experience for year 10, 11 and 12 First Nations students. Evaluation of the program's first year, which attracted 35 First Nations students from seven high

[79] Queensland Widening Tertiary Participation Consortium, *Submission to the Australian Universities Accord Discussion Paper*, 2023.
[80] D Napthine, P Lee, C Graham and M Wills, *National Regional, Rural and Remote Education Strategy final report*, Department of Education and Training (DET), Australian Government, 2019, accessed 7 June 2023.

schools across the Northern Territory, showed a marked increase in students' confidence in their ability to attend university.[81]

There is also a need to broaden outreach activities more effectively to engage non-school cohorts:

> "The majority of institutional widening participation activities focus on school leavers. However, to achieve significant growth in participation of equity group students, the sector also needs to reach out more effectively to non-school leavers to enable aspirations for further education and training post a Certificate III qualification." – Equity Practitioners in Higher Education Australasia

The Review has also heard of the importance of quality career advice, particularly for first-in-family students and those in regional and remote areas, where career advice is often delivered informally by school teachers. There is a need to consider how the provision of personalised career advice can be strengthened, including through a coordinated national approach. The move towards lifelong learning will increase the importance of good career advice across all life stages.

2.3.2.2 Building and improving pathways for students

As noted in Section 2.2, pathways into higher education from vocational education and enabling programs are fragmented and uneven. This can be a barrier to higher education for students from equity cohorts who are more likely to enter via VET pathways, as shown in Figure 2.3-1. This figure also highlights that a number of students commencing in a course come from other parts of higher education, either from other institutions or changing courses within the institution.

Figure 2.3-1: Basis for admission for domestic commencing bachelor students, 2021.
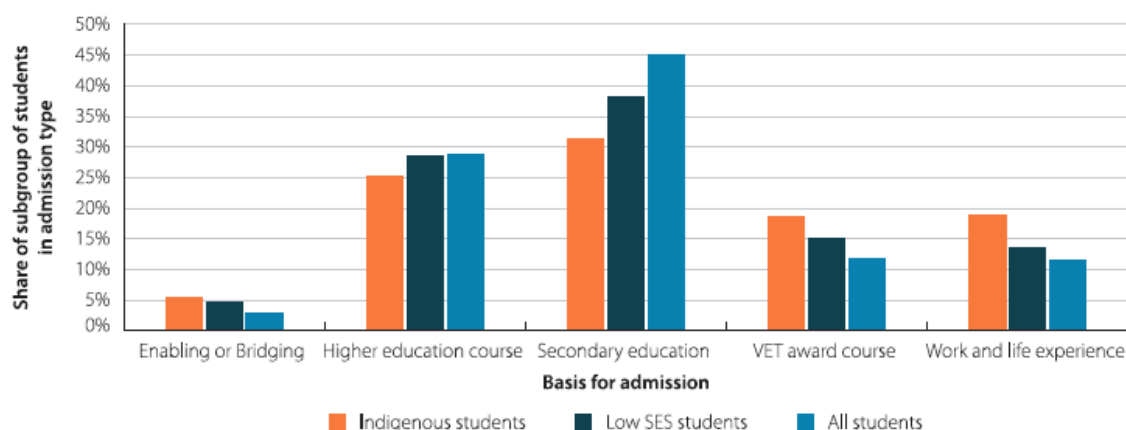
Source: Department of Education, *Higher Education Statistics - 2021 student data* [data set], education.gov.au, 2021, accessed 8 June 2023.

Good practice examples, including the partnerships between South Australian universities and TAFE South Australia, could be emulated in other jurisdictions.

Encouraging dual sector provision would improve pathways to higher education. One possibility could be to give more TAFEs (where they are registered higher education providers) access to CSPs.

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[81] Charles Darwin University (CDU), *Inaugural CDU Bidjipidji School Camp Report 2021* [PDF], CDU, 2021, accessed June 14 2023.

Less divergent funding arrangements would also help foster parity of esteem between the two sectors.

The Review heard of the important role played by enabling courses. Evidence shows that students who enter a bachelor degree after an enabling course typically achieve better outcomes than those admitted via other sub-bachelor pathways.[82] Increasing the provision of enabling courses and recognising them formally as part of the credentials framework, would support higher levels of equity participation.

2.3.2.3 Creating accessible places of learning for communities

One way of reaching more students is through more inclusive, place-based course delivery. The higher education sector should be encouraged to be more prominent, including having appropriate infrastructure and programs to support students close to where they live and work.

Case study: Regional University Centres (RUCs)

The RUC program takes an innovative approach to improve access to tertiary education for regional and remote students. They provide facilities that regional students can use to study tertiary courses locally delivered by distance from any Australian institution.

RUCs aim to:
- enable students in rural, regional and remote Australia to access and complete higher or vocational education without having to leave their community
- meet a demonstrated gap in support for study in a regional, rural or remote community
- support students who wish to stay in their community while they complete their course of study
- enhance the experience of students studying within their own community
- encourage strong links between the Centres and other organisations in the area, including other support services that students may access and industry
- complement, rather than replace, existing and planned university investments and activities in regional areas, such as satellite campuses and study centres.

Early analysis of the RUC model shows higher education participation has increased in regions where centres operate, and these regions have outperformed comparable regional and remote areas without centres (controlling for population growth).[83]

Data collected by the Department of Education shows, as of November 2022, RUCs had supported approximately 3,300 students studying more than 1,000 different courses through with over 200 tertiary education providers. Approximately, 74% of these students were studying a university-level degree and 26% of students studied VET and other courses.[84]

In 2022, 11% of students supported by the RUC program identified as First Nations people, compared to 2.11% of higher education students nationally. The RUC program is making a

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[82] T Pitman, S Trinidad, M Devlin, A Harvey, M Brett and J McKay, *Pathways to higher education: The efficacy of enabling and sub-bachelor pathways for disadvantaged students*, report to the Australian Government DET, National Centre for Student Equity in Higher Education (NCSEHE), 2016, accessed 8 June 2023; NCSEHE, *Submission to the Australian Universities Accord Terms of Reference*, 2022.

[83] Based on analysis of Department of Education, *Higher Education Statistics –Student Data* [unpublished data].

[84] Department of Education, *Administrative data* [unpublished data].

difference for students in our regions. Communities across regional and remote Australia have expressed interest in having a RUC in their region.[85]

The Review has heard that proximity and connection to a place of learning is a critical decision-making factor for students and is a significant barrier to accessing higher education for students in regional, rural and remote areas. Students in outer metropolitan and peri-urban areas can face similar challenges.

The Review considers the concept of the RUCs should be expanded to other areas of need, including outer suburban areas, where accessing higher education can also be difficult. While many prospective students in outer metropolitan and peri-urban areas have access to universities, including remotely through online delivery, such students typically seek to enrol internally at 'local' institutions. This can result in lengthy, expensive, wearying and increasingly prohibitive commutes. Students who choose to study online face obstacles including the cost of appropriate internet and IT equipment, and a lack of peer networks and study support.

As noted in Section 2.1, the highest absolute growth in 9 to 16 year-olds between 2016 and 2021 occurred mostly in major city outer suburbs. Learning from the success of the RUCs model, the Review considers that Tertiary Study Hubs (the outer metropolitan and peri-urban analogue of the RUCs) should be introduced in these areas, and in locations with traditionally lower attainment rates. These hubs should bring several institutions together to provide options for students in their local area. This could include tailored wrap-around assistance based on the needs of the local community to support students to succeed.

Immediate action:

Extend visible, local access to tertiary education by creating further Regional University Centres (RUCs) and establish a similar concept for suburban/metropolitan locations.

2.3.3 Addressing financial barriers to study

One of the obvious barriers to studying is the cost of participation – something which affects underrepresented groups the most. The Universities Australia 2017 Student Finances Survey found First Nations students and students from the poorest quarter of Australian households were more likely to experience financial hardship.[86] Recent inflation can only have made this situation worse. In the absence of relief, more students are likely to defer or discontinue their studies.

> "In recent discussions, students have raised concerns regarding the current state of higher education in Australia. One of the key issues highlighted is the need for greater equity, specifically in terms of financial support for students. The government has a critical role to play in this regard by increasing [Y]outh [A]llowance and [ABSTUDY] payments, as these actions would directly benefit students from low socio-economic backgrounds and Indigenous students." – University of Melbourne Student Union

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[85] Department of Education, *Administrative data* [unpublished data].
[86] Universities Australia, *2017 Universities Australia Student Finances Survey* [PDF], Universities Australia, 2018, accessed 13 June 2023.

2.3.3.1 Addressing the need for adequate financial support

In 2020-2021, 2% of Australians (around 390,000 people) wanted to enrol in a bachelor degree or above in the previous 12 months but could not. Almost a third of those – 31% (120,900 people) – cited financial reasons for the inability to enrol.[87] These additional potential enrolments would make a significant difference to meeting Australia's skills needs.

Most students work to support themselves while they study, with around four in five domestic students now in paid employment.[88] The Review has heard many students struggle to balance their paid work and study commitments, as cost of living pressures, including rising rents, require them to take up additional hours. This is particularly concerning for regional students and those without family financial support, who may have no choice but to move away from home and relocate to study.

> "Full-time university is now a luxury many students can't afford." – National Union of Students

> "The hours worked by young people supported by The Smith Family to undertake tertiary education are often beyond what is generally considered compatible with tertiary study. For some young people we support, the financial pressure to work has resulted in them deferring their study, at least for a period of time." – The Smith Family

The Review has heard from some students who are unable to access financial assistance, because of targeted eligibility (particularly low parental income thresholds). The Review will give further consideration to support for these students who may otherwise struggle to access and participate in higher education.

The financial barriers to participation need to be addressed if we are to meet our equity targets.

2.3.3.2 Modernising the income support architecture to increase eligibility and sufficiency

Current income support arrangements are complex, create perverse incentives for some students and leave others missing out. Stakeholders have reported restrictions on part-time study and independence rules stop some students from accessing financial assistance. Students also need easier access to clearer information about financial assistance, including income support and scholarships.

The number of higher education students meeting income support eligibility requirements has trended down since 2015 (excepting COVID-19 related spikes in 2020 and 2021).[89] Several stakeholders note current eligibility criteria exclude broad categories of students, such as part-time students and students under 22 who do not meet independence tests. Stakeholders have also raised

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[87] ABS, *Work-related Training and Adult Learning, Australia*, ABS website, 2022, accessed 15 June 2023.

[88] Four in every five domestic bachelor degree students worked while studying between the 2010–11 and 2015–16 financial years (80–84 %). DESE, *Factors affecting higher education completion* [PDF], DESE, n.d., accessed 6 June 2023. This is consistent with the *2017 Universities Australia Student Finances Survey*. In May 2022, the ABS found that 77 % of the 2.1 million people currently studying for a certificate, diploma or degree were also working. ABS, *Education and Work, Australia*.

[89] Department of Social Services (DSS), *Data from the Department of Social Services* [unpublished data], DSS, Canberra, 2023.

concerns about the adequacy of payment rates, which the Review recognises is connected to the adequacy of payments across Australia's income support system. Many students, including those accessing Youth Allowance and the Aboriginal and Torres Strait Islander Study Assistance Scheme (ABSTUDY), receive a lower rate than people in similar circumstances on other payments, such as Jobseeker.

HELP-style ICLs for student living expenses could offer an additional approach to financial support for students while they study. The option to borrow money to help meet their living costs could help students balance paid work and study commitments, reduce financial hardship, and enable more students, especially those who need to relocate, to participate successfully in higher education. ICLs could also assist students undertaking a mandatory placement away from home, or where they need to temporarily stop part-time work to complete a full-time placement. However, the Review is also aware of the implications of adding to student debt levels, with some stakeholders indicating that a loan may not be the best way to address cost of living challenges.[90]

The Review is also deeply aware of poor outcomes for some participants in the previous Student Financial Supplement Scheme which was closed in 2003 due in part to the high rates of non-repayment, especially by low income and First Nations students.[91] Eligibility criteria, loan amounts, and effects on student debt would require serious investigation before such a scheme is contemplated.

As noted in Section 2.2, there are requirements for unpaid work placements in many courses. Students often must take time out of paid work for these placements which can take place over multi-week blocks away from home. Additional support for students to undertake block placements, and to be paid while on placement, should be developed.

Many students also need to work to support themselves while studying. Working while studying can be beneficial for many students, however, the Review considers it is important students are not being required to work excessive hours. The Review heard that finding suitable work can be difficult and that students would prefer to work in areas related to their field of study – something supported by employers needing to address serious skills shortages. A new jobs broker program was one idea proposed to the Review that could help match students with employment opportunities related to their current area of study.

A more detailed analysis of the strengths and limitations of HELP is outlined in Section 3.3.

Considerations for change

To increase participation and attainment for students from underrepresented backgrounds and equity cohorts, the Review will continue to give consideration to the following policy areas:

a) encouraging students from underrepresented groups to aspire to higher education and fulfil their potential
b) making it easier for students to enter, exit and return to higher education through a consistent national approach to tertiary education admission and the recognition of existing learning experience and credentials

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[90] M Warburton, _Submission to the Australian Universities Accord Discussion Paper_, 2023.
[91] Senate Employment, Workplace Relations and Education References Committee, _Inquiry into student income support_, Senate Employment, Workplace Relations and Education References Committee, Australian Government, 2005, accessed 7 June 2023.

c) increasing access to preparatory and enabling programs to provide more pathways into higher education
d) providing scaffolded learning support to help students achieve their qualification in minimum time and with minimum debt
e) through a national jobs broker system, helping students find part-time work in their areas of study
f) exploring the potential for a student-centred, needs-based funding model (similar to that used for determining school funding) that recognises the additional costs involved in teaching students from equity groups and underrepresented communities
g) reducing the cost of living barriers to higher education through improved income support measures and more opportunities for part-time study
h) revising student contribution amounts and HELP repayment arrangements to ensure students are not being overly burdened with debt and that repayment arrangements are fair and integrate more effectively with the wider tax and social security system.

Potential proposals the Review may also consider for the Final Report, and that reflect the broad themes outlined above, include:

Supporting aspiration and potential:

a) aligning and improving outreach programs across early childhood, primary and secondary education, including with local governments and use of role models
b) improving the availability of accurate, appropriate and timely careers advice and improving familiarity with higher education.

Improving entry and exit processes, and better scaffolding of support for students:

a) increasing delivery of preparatory programs, including across VET and universities, as pathways into higher education, with consistent recognition across all institutions
b) increasing access to enabling programs across all institutions, ensuring these programs remain free for students and institutions receive sufficient funding for delivery
c) ensuring tertiary admission arrangements are facilitative (especially for First Nations and equity groups) while maintaining entry quality
d) focusing on student success, emphasising completion in minimum time so they do not incur more HELP debt than necessary
e) increasing recognition of early exit pathways (with appropriate credentialling of study to date) as leading to positive outcomes for students
f) improving ease of student transfer between education sectors and institutions
g) encouraging new pedagogies which provide greater scaffolded learning and student engagement.

Reducing barriers and increasing access to financial support:

a) changing income support payment arrangements, including eligibility tests around independence, part-time study and unpaid work placements
b) exploring the advantages and disadvantages of ICLs to help students meet living expenses
c) reforming the Higher Education Loan Program to ensure students do not experience long-term financial burden.

2.4: Excellence in learning, teaching and student experience

> "Universities need to inspire and engage all their students and proactively engage
> with new and changing cohorts with different educational needs… Our teaching
> methods and courses must grow and adapt with changing needs and demands."
> – Australian Technology Network of Universities

Issues

If Australia is to achieve the Review's vision of educating many more students from all walks of life to various skill levels, then our higher education system must deliver a world-leading learning experience. The Review is considering how the tertiary education system can continually respond and embed innovations and new approaches to ensure students are prepared for a constantly changing world. This includes rapid updates to curricula and improving the higher education system's capacity to absorb, adopt, share and apply new knowledge in the classroom.

As student cohorts become more diverse, a new focus on student-centred models of delivery and support will be required. This could include teaching in ways which are better tailored to the specific needs of each student, and which leverage opportunities for online and collaborative teaching. To deliver a better student experience, we also require a highly skilled, professional workforce enjoying attractive career pathways.

This section discusses current issues in learning and teaching and student experience, including more inclusive student-centred approaches, digital teaching technologies, cutting edge curricula, and greater collaboration in course offerings.

2.4.1 Learning and teaching that is personalised and scalable

A more student-centric approach to teaching, tailored to the cultural, social and academic needs of the individual student, will deliver a superior education. What's needed is innovation and scalability.

> "Often students are dealing with complex disadvantage, where as one challenge
> is addressed, another emerges. To respond to this, each of these students needs
> a form of individualised learning plan." – University of Tasmania

Preparatory and enabling programs are proven ways to build academic preparation and provide a supportive pathway to further study for students, particularly students from equity cohorts as discussed in Section 2.2.[92] The Review believes such programs should be expanded.

There are many examples of providers developing student-focused learning and support programs. This includes those universities implementing the Universal Design for Learning framework,[93] which

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[92] Pitman et al., *Pathways to Higher Education*.
[93] CAST, *The Universal Design for Learning (UDL) Guidelines*, CAST website, n.d., accessed 7 June 2023.

adopts a learner-centred approach to pedagogy. Related pathways include the fast, stackable and portable credentials explored in Section 2.2.

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Case study: Innovative delivery models

The Victoria University Block Model is an alternative study model where students study one subject at a time in a shortened timeframe, rather than several subjects over a typical semester. Each subject takes four weeks to complete, and students attend multiple classes per week, usually three-hour classes three times a week.

This model has proven to be successful, particularly with students who require more support.[94] Victoria University has reported increased student retention and pass rates, with special consideration requests reduced by 80%. Success rates for equity group students are at 90.4%, with first generation students having a 91.1% success rate.

Victoria University notes that the success of the Block Model is due to a combination of factors, including smaller classes with significant engagement, quality learning resources, student support, and assessment methods.[95]

Southern Cross University offers a slightly different model in which students study up to two subjects at a time, across a six-week term. There are six terms in an academic year, providing flexibility for a full-time student to complete up to twelve units in one year, or take a term off when they prefer. Other institutions are trialling similar programs, including Western Sydney University's foundation diploma program.

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Innovative student-focused learning and teaching programs are showing promising results and the Review believes they have the potential to be used at scale across the sector.

2.4.2 Inclusive and high-quality teaching that embraces technological advancements

Online learning broadens access to education, especially for time poor and remote students.

> "These students are often mature age, in full-time work and studying part-time –
> choosing the online modality in order to accommodate their work and family
> while seeking to attain the skills and qualifications that will allow them to
> advance in their current or new careers." – University of New England

The COVID-19 pandemic accelerated the steady expansion of online learning. While it has been a feature of higher education for many years, educators and learners are still learning to adapt and use it to best advantage. Some universities, like the University of New England and Charles Sturt University, were early adopters, educating high numbers of students through online and distance education. Many students with disability studied online or through hybrid options during the COVID-

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[94] G Samarawickrema and K Cleary, 'Block Mode Study: Opportunities and Challenges for a New Generation of Learners in an Australian University,' *Student Success*, 2021, 12(1):13-23, doi:10.5204/ssj.1579.

[95] Victoria University (VU), *VU Block Model*, VU website, n.d., accessed 8 June 2023.

19 pandemic, and participation for this cohort rose over the period, demonstrating the success of these models (see Figure 2.1-7 in Section 2.1).

Recent advances in artificial intelligence including machine learning platforms have also seen universities adapt their learning and teaching environments. When done well, online and hybrid learning arrangements can be more inclusive, allowing students with caring or work responsibilities or from regional and remote areas to participate more equitably in higher education.

The Review has heard that our universities are not doing enough to adapt and keep pace with this change:

> "The current experience of online delivery is still largely focused on asynchronous delivery (with recorded lectures) but there is an opportunity to develop new models with a rich student experience through technology-enabled universities."
> – Innovative Research Universities

> "[D]espite its importance in nurturing a culture of lifelong learning, online teaching is often poorly remunerated and inadequately accounted for in staff workloads, which reduces the quality of the student experience… Urgent investment is required to enable staff to provide a high-quality education in online settings." – Australian Historical Association

While student ratings of experience are not uniformly lower among online students, they do consistently rate their engagement with learning at lower levels than students studying on campus (refer Figure 2.4-1).

Figure 2.4-1: Student experience by study mode, 2022 (% positive rating).
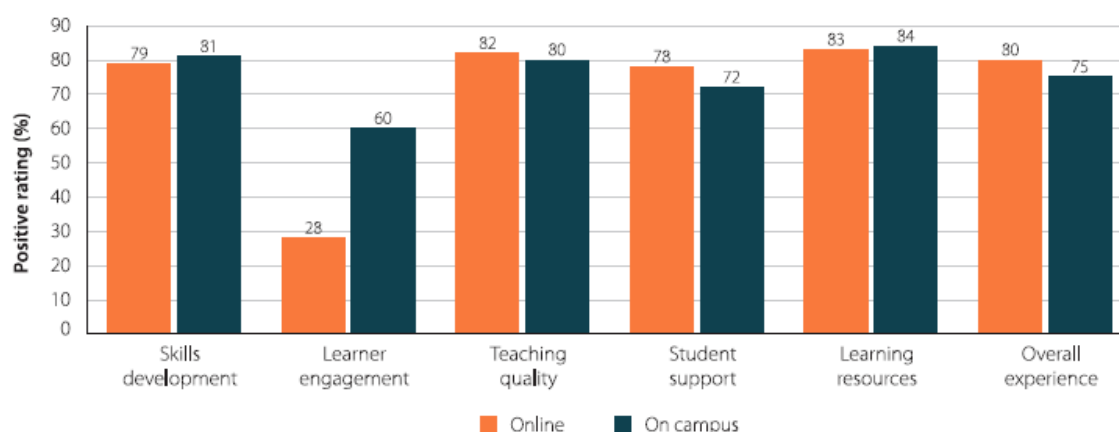
Source: Quality Indicators for Learning and Teaching (QILT), *Student Experience Survey* [data set], qilt.edu.au, 2022, accessed 26 June 2023.

2.4.2.1 Utilising knowledge from across the sector, Australia and the world

To meet student and industry demand, higher education providers need a more targeted approach to online delivery, designing content and learning activities with digital and hybrid delivery in mind. It will also need to draw from online resources and shared content repositories to keep pace with the most recent innovations in a field of study.

"Quality online education requires the design, development and deployment of high-quality online-specific learning materials that focus on the active engagement of the learner – it is insufficient to simply record and broadcast a lecture." – Online Education Services

2.4.2.2 Embracing new tools and methods for teaching

Online learning can be challenging when students do not have access to scaffolded learning support. Embracing technological advancement will assist educators and providers to support and empower learners to use these platforms and to share best practice, encouraging the rapid evolution of high-quality digital delivery. The growth in online platforms, like Zoom and Microsoft Teams, bring opportunity for a new, more engaged approach to online learning. As these platforms grow and continue to develop this could help drive a better online learning experience for students.

The Review notes some providers are already implementing innovative and effectively scaffolded support models for online cohorts. These could be modified and implemented across the sector.

> **Case study: Digital Solutions to student engagement and performance at Charles Sturt University**[96]
>
> The Embedded Tutors Program has enabled equitable access to support for students regardless of their location. The program was established at Charles Sturt University in 2021 and delivered digitally. The program supported first-year undergraduate students by providing access to a faculty-specific tutor who could give timely feedback on a draft assignment. Some 428 students met with a tutor at least once. This group of students received an average cumulative subject mark 6.2% higher than students who had not met with a tutor. The benefits of an increased average mark were seen across cohorts including students from low SES backgrounds, First Nations students, regional, rural and remote students, and first-in-family students.[97]

Improving online learning capability also presents an opportunity for Australia to expand its teaching footprint and reach new students and overseas markets. Current regulatory and policy settings are limiting innovation by restricting access to offshore online delivery for international students.

2.4.3 Curriculum design and delivery that is responsive and collaborative

No matter what its mode of course delivery, a quality learning experience requires engaging teaching that is highly responsive to students' needs. This means teachers who are compelling communicators and who design and deliver robust curricula in engaging and stimulating ways, teaching students what they need to know and challenging them to engage critically and creatively with their field of study. A quality learning experience also means well-designed methods of assessment and straightforward access to academic advice and learning support when needed. As discussed in Section 3.2, a positive experience outside of the classroom is also crucial to student success.

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[96] Charles Sturt University (CSU), *Student Retention*, CSU website, n.d., accessed 8 June 2023.
[97] K Linden, S Teakel and N Van der Ploeg, 'Improving Student Success with Online Embedded Tutor Support in First-Year Subjects', *Student Success*, 2022, 13(2):42-50, doi:10.5204/ssj.2338.

While the Review heard about phenomenal teachers, it was also presented with evidence suggesting variability in teaching practice across the sector, leading sometimes to intense student disappointment.

> "Students feel that the fast-paced in and out structure of university lectures and tutorials, combined with how much academics have to manage, leaves them feeling like a gear in a machine. Students want a system that enables them to discuss with tutors and subject coordinators their degree structure. They want services and people who are able to adequately support them in changing a degree or subject..." – National Union of Students

Improving university-industry engagement will ensure graduates leave the higher education system with the capabilities, skills and experience needed to succeed in the workforce, helping them to fill existing and emerging skills gaps in industry, and help increase national productivity.

> "Enhanced engagement with industry will improve the quality of the curriculum and ensure graduates are career-ready with industry-relevant experience." – South Australia Government

There are many good examples of providers working with industry to develop new models of learning and teaching. Some universities enable students to study under the direct supervision of industry experts. Others have developed courses in collaboration with industry and provide students with the opportunity to undertake WIL.

More can be done, however, to boost university-industry collaboration and course co-design, for the benefit of student learning. This could include a strong commitment from universities, industry, unions and community to increase collaboration, and to provide the time, resources and expertise to deliver current and meaningful curriculum.

Spotlight: Cooperative Skills Centres

Cooperative Skills Centres are a proposal from the University of Newcastle to enable rapid upskilling managed cooperatively by industry and universities. This proposal is based on the existing Cooperative Research Centres. Education providers and employers would bid together for funding to develop education entities in specific areas of skills needs.

Long-term funding agreements of around seven years would provide flexibility for TAFEs, industry and universities to co-develop and deliver both university-style courses and competency-based training. The content of the programs could continually evolve to meet the changing needs of regions and industries experiencing rapid growth and transition. Scale would also be flexible, from a single university, TAFE or business partner focused on a particular industry, up to regional or national footprints involving multiple education and industry partners.[98]

A similar initiative is already underway through the New Education and Training Model (NETM), developed by Western Parkland City Authority to meet the skills needs arising from the construction of the Western Sydney International Airport and surrounding business precincts. In partnership with industry, VET providers, universities and government, up to 100 microcredentials

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98 University of Newcastle, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

2.4.4 Committing to teaching excellence and collaboration

2.4.4.1 Moving beyond a minimum standards benchmark

The regulatory regime overseen by the Tertiary Education Quality and Standards Agency (TEQSA) is based on a threshold standards approach, which has been successful in maintaining quality as the system has expanded in recent years. But for Australia to deliver world-leading learning experiences, the Review is considering what would encourage the sector to move beyond the minimal standards approach and to pursue systemic excellence in learning and teaching. Student ratings of their study experience have been consistently strong for some time, though declining sharply during the COVID-19 closures, as shown in Figure 2.4-2. The Review notes that student experience ratings recovered substantially in 2022, closer to pre-pandemic levels.

Figure 2.4-2: Quality of entire educational experience by study level, 2012 to 2022 (% positive rating).
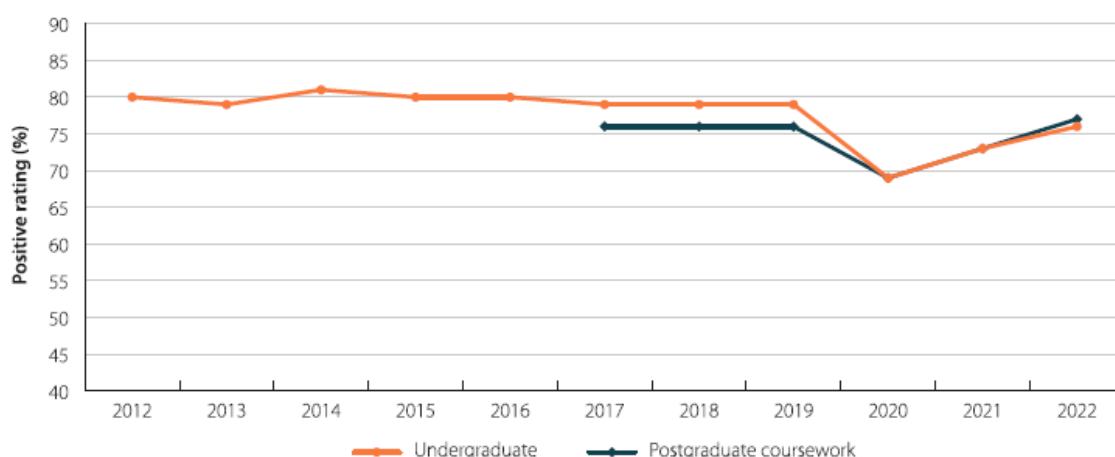
Source: QILT, *Student Experience Survey* [data set], qilt.edu.au, 2012-2022, accessed 26 June 2023.

The funding and regulatory systems, discussed in Chapter 3, could be incentivised to reward excellence in learning and teaching, whilst ensuring institutions have the resources and flexibility to develop innovative approaches to course delivery.

2.4.4.2 Sharing best practice and driving high-quality learning and teaching

Currently, improvements in teaching practice and the student experience are often left to individual institutions and educators, rather than any systemic or collaborative approach to raising quality. This

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99 Western Parkland City Authority, *New Education and Training Model (NETM),* Western Parkland City Authority website, n.d., accessed 13 June 2023.

fails to capitalise on the many elements of good teaching within individual institutions that could be shared across the sector.

> "Australia is a world leader in higher education research but notably lags internationally in collective translation to practice. Despite pockets of excellence, Australia has no national mechanisms for translation to practice that unite diverse expertise across learning and teaching and the student experience." – Professor Liz Johnson, Professor Sally Kift and Associate Professor Jason Lodge

The Review believes consideration could be given to an office or committee for quality teaching to enable collaborative and innovative models of learning and teaching and advise government on structural issues. Some of these functions were undertaken by the Office for Learning and Teaching (OLT) before it was abolished in 2016. A potential new body could include a focus on equity of access and outcomes as participation widens and should prioritise evidenced-based approaches and innovative use of data.

> "Collaborative effort is particularly urgent to respond to a changing external environment. The demands of digital education, life and work, challenges to conventional career paths for graduates and increasing pressure on the academic workforce are wicked problems that are not easily solvable by individual institutions. An independent national centre creates a national mechanism to develop and share effective responses which are otherwise fragmented." – Universities Australia DVC-A Network

Alongside the work of this potential body, centres of excellence for teaching could be established across universities and VET providers, modelled along the lines of the ARC Centres of Excellence for research. These centres would act as focal points for building leading edge knowledge repositories and developing high-quality pedagogical material for particular disciplines (such as is available for first year economics through CORE Econ).

Case study: CORE Econ[100]

CORE (Curriculum Open-access Resources in Economics) Econ is a foundational economics curriculum developed by an independent editorial board in collaboration with business and university partners.

Following the Global Financial Crisis of 2007-8, CORE Econ emerged in the early 2010s as an international collaborative project among academics concerned about an overly narrow focus within the standard economics curriculum on theoretical models which lacked connection to real world developments.

CORE Econ offers a student-centred curriculum that aims to "change economics education globally to a focus on the most important problems faced by our societies including climate change, injustice, innovation and the future of work." Incorporating a range of open-source materials, CORE Econ has been adopted by nearly 400 institutions worldwide, including several in Australia.

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[100] Curriculum Open-access Resources in Economics (CORE Econ), *CORE Econ: Economics for a changing world*, CORE Econ website, n.d., accessed 8 June 2023.

2.4.4.3 Incentivising and valuing all academic roles

Highly skilled educators are needed to help students succeed. As the student participation in Australia's higher education system grows in size and diversity, so must its academic workforce. The Review has heard evidence of under-investment and under-prioritisation of teaching capability and esteem for teaching across the sector, driven by several interrelated factors.

More needs to be done to promote higher education teaching capability and to attract the best talent from both academia and practice. This should include better recognising and incentivising teaching excellence through internal and external performance structures, enhancing industry mobility and recognition of non-academic career achievements, strengthening professional development for the teaching workforce, and implementing better long-term workforce and capability planning.

An important part of the higher education workforce are academics who are both excellent teachers and cutting-edge researchers. These academics can be particularly inspiring in exposing students to the process of knowledge breakthroughs. This is a vital contribution for graduates hoping to work in the knowledge economy. Another important though smaller workforce cohort are academics who are both excellent teachers and active practitioners in their profession. These academics teach students about leading-edge professional practice.

Addressing the issues raised above will involve action by staff, unions, institutions and government. This could include discussion of whether existing industrial settings support strengthening teaching capability across the higher education workforce. These discussions ideally could revisit the current settings connecting teaching and research workloads across many positions in academia.

2.4.4.4 Measuring excellence

Student experience and learning and teaching need to be monitored to encourage improvements. It is inherently difficult to measure teaching quality or student experience. The current measure of quality, the Student Experience Survey (SES), is conducted using a well-defined methodology which compares well with international best practice.

The wider Quality Indicators for Learning and Teaching (QILT) survey suite has focused attention on teaching quality by publishing indicators at the institution level and provides an evidence base for continuous improvement. However, there is no triangulation of survey results against other measures of quality and no clear correlation between high student ratings and employment outcomes.

The Productivity Commission suggests using peer review of teaching methods to address some of the biases that arise from surveys and to complement and corroborate the SES.[101]

Irregular and frequently delayed timing of publication of higher education administrative and survey data reduces the ability of institutions and educators to use data-driven approaches to quality improvement. It is the Review's view that higher education administrative and survey data should be released on a regular, publicly available schedule, agreed with institutions, to allow timely submission and then analysis of high-quality data.

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[101] Productivity Commission, *5-year Productivity Inquiry: From learning to growth.*

Considerations for change

To promote high-quality learning and teaching across the higher education system, the Review will continue to give consideration to the following policy areas:

a) encouraging and rewarding effective learning and teaching practices, including best practice for digital and hybrid delivery modes and use of new technologies and structures, particularly artificial intelligence and knowledge repositories
b) enhancing the professional development of academic staff in teaching, especially for those newly employed to teach
c) promoting collaboration and shared best practice in learning and teaching
d) ensuring the system encourages improvements in quality learning and teaching, responds to new curriculum approaches that take account of the pace of new knowledge production, and provides for appropriate teaching infrastructure.

Potential proposals the Review may also consider for the Final Report, and that reflect the broad themes outlined above, include:

New and more collaborative approaches to learning and teaching:

a) establishing a National Learning and Teaching Committee (within the Tertiary Education Commission)
b) encouraging all institutions to provide high-quality accredited professional development in teaching for academic staff, especially new appointments, and including casual academics and postgraduate students involved in sessional teaching.

New funding incentives and programs:

a) launching a competitive funding program across multiple institutions (universities and TAFEs) with material produced to be available under open access. This concept could be modelled in terms of collaboration and advisory boards on the ARC Centres of Excellence
b) rewarding institutions taking a leadership role in learning and teaching, fostering excellence and improved performance across the sector.

2.5: Fostering international engagement

> "International education is critical for Australia. The international education industry and international students are key contributors to the Australian economy and society. … Given the varied and significant contribution of the international education industry and international students, it is critical that Australia's strong reputation is maintained and the sector continues to thrive." – Navitas

Issues

Though strong, Australia's international education enterprise is deeply affected by global events. Shocks to the global economy in recent years have been compounded by political fragmentation and new alliances that have increased uncertainty and turbulence across the world. Higher education providers have a key role to play in helping Australia craft its place in this sometimes dangerous new world.

The Review is considering how best to meet changes in the global environment over the coming decades. It heard that higher education providers and governments need to consolidate past successes and adapt to evolving student expectations, national and international labour market needs, and approaches to overseas collaboration.

This section examines the importance of Australia's international collaboration as a core element of higher education's teaching and research mission. It explores options to balance an expansion of our international student market with the upkeep of world-leading student experience and the importance of staying on the forefront of innovation while helping our neighbours through research partnerships and offshore teaching models, especially contributing to our neighbours' efforts to grow their own education offerings.

While the Review acknowledges international education's role as a crucial export industry, it also sees it as a crucial element of Australia's soft diplomacy and the generation of relationships and reputation across the world. This makes the quality of the education we provide crucially important.

2.5.1 Promoting global connectivity

Australia's international education sector is a major national success story. There has been rapid growth in the number of students choosing to come to Australia for higher education. Student numbers almost doubled from 249,454 in 2014 to 440,824 in 2019.[102] While this growth was impacted by the COVID-19 pandemic, there has been significant improvements in 2023. Current indications suggest that by the end of 2023 international student enrolments will have recovered to

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[102] Department of Education, *International student monthly summary and data tables*, Department of Education website, 2023, accessed 7 June 2023.

near pre-pandemic levels. In 2020, Australia was positioned as the world's third largest provider of international tertiary education.[103]

Figure 2.5-1: International student enrolments across all Australian higher education providers, top 5 nationalities, 2014-2022.
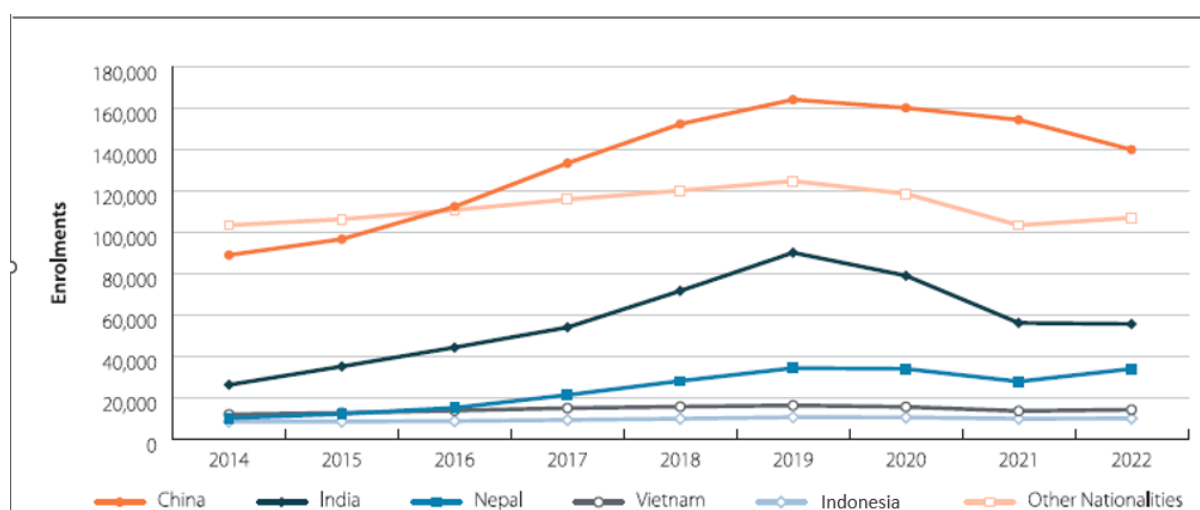
Source: Department of Education, *Year to date international student higher education enrolments* [data set], prisms.education.gov.au, 2014-2022, accessed 10 June 2023.

This growth has been driven in part by higher education providers and has led to deep and rich partnerships with our regional neighbours, expanded opportunities for international students to access quality and trusted education, while supplying providers with a substantial independent revenue base.

Australian universities are also strong international research collaborators. In 2021, 60.5% of all research publications with an Australian author included an international co-author. This was an increase from 42.6% in 2012 and demonstrates significant progress over the last decade.[104] Not only does international research collaboration deepen Australia's engagement and influence on the global stage, helping us work with partners overseas to meet common goals, it also means Australia has access to cutting-edge global research and discoveries.

2.5.1.1 Ensuring a world class student experience

The presence of international students in our universities should enrich the educational experience of all students. A high-quality Australian education benefits our global community and international students return home as powerful champions for Australia. International students who stay in Australia to pursue work opportunities help alleviate national skills shortages and make an ongoing contribution to Australia's communities and way of life.

The Review is considering how Australia can improve student experience, or risk undermining its foothold as a destination of choice. Doing what has always been done will no longer meet student needs, noting the international education market is increasingly competitive. Other countries are

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[103] United Nations Educational, Scientific and Cultural Organisation (UNESCO) Institute for Statistics, *Other policy relevant indicators: Net flow of internationally mobile students* [data set], data.uis.unesco.org, n.d., accessed 15 June 2023.
[104] Scival, *Collaboration by Australia*, Scival website, 2023, accessed 17 May 2023.

investing heavily in developing their own universities and research capacity, including offering bespoke student experiences.

Australia's higher education system is incentivised to maximise the intake of international students and produce large student cohorts. This can be detrimental to the student experience for both international and domestic students, with large class sizes potentially diminishing students' ability to connect with their peers and make lasting relationships throughout their studies. This is exacerbated when there is a lack of diversity within classes, leading to cohorts of international students feeling further isolated. Greater professional development of staff, including cross-cultural competency in teaching and learning, is also relevant.

If the growth of international student numbers is not sustainable, it can make these issues worse. While the sector is concerned with the sustainability of this growth, it has advised that funding stress in the higher education sector is a strong motivator for continued growth in the number of international students.

Higher education institutions also need to consider community perceptions of large international cohorts. This includes exploring greater engagement with community services, such as accommodation and social support, to better integrate international students into their local communities, help improve the student experience and support an educationally sustainable increase in the international student intake.

The Review has heard concerns from a number of stakeholders about low levels of English language proficiency (ELP) among some international students, consistent with observations in the Australian Migration Review which found students need the language skills that are necessary to actively participate in the classroom and community, and to achieve successful career outcomes.[105]

Improvements to language testing and admissions benchmarks could be considered to protect high-quality education experiences for all students and Australia's education reputation and provide adequately tailored support where required.

2.5.1.2 Expanding to new international student markets

Market analysis from Navitas indicates Australia's attractiveness as a study destination is behind the United Kingdom and Canada. There is increasing competition from universities in our region that are closer and less costly, which have ambition to attract international students by offering a high-quality education in an English language environment. To achieve sustainable international education growth and protect Australia's future interests, Australian providers need to diversify their source markets and modes of delivery while upholding a quality education and positive student experience.

> "Policy changes, changes in macro-economic circumstances or negative sentiment towards international students can also result in significant redirection of student choice away from particular source countries and towards others. It is therefore important Australia actively manages its reputation and competitive position." – Navitas

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[105] Parkinson et al., *Review of the Migration System Final Report*.

Diversifying new international student cohorts requires institutions to continue to innovate and develop their online and transnational education offerings (notably offshore education). This presents an opportunity to access different cohorts of students in new and existing markets from a wider range of locations and demographics through innovative delivery models. This will allow for a more robust and resilient higher education sector by mitigating the risks of overreliance on a small number of student markets. Providers' ability to deliver international education must be underpinned by the ability to deliver a high-quality education and student experience, rather than growth to achieve revenue gains.

2.5.2 Optimising use of Australian research expertise

While, as noted above, Australian researchers over the last decade have significantly increased their international research collaboration, this success in collaborative publications has not led to significant research funding from international sources. OECD data shows that, based on international comparisons, Australia sourced only 3.5% of its higher education research income from the rest of the world compared to 4.5% for Germany, 5.0% for the United Kingdom and 14.6% for Israel.[106] Strategic partnerships and research collaborations are a potentially lucrative source of knowledge exchange and revenue.

Australia is a key partner in the Indo-Pacific, and our research strengths are an opportunity to contribute to the strategic goals of these partnerships. International collaboration opens doors and creates opportunities for Australian expertise to solve problems around the world. In turn, Australia benefits from innovative ideas from our neighbours that can be tested and developed in the Australian system. There is increasing opportunity for further engagement with countries in our region as they invest more in R&D and building partnerships.

Australia's research strengths provide a means to address regional priorities. Many of Australia's strengths can address key issues for the Indo-Pacific, such as readiness for climate extremes, food security in a changing climate, being prepared for new disease outbreaks, and developing institutional resilience. Australia's geographical location and research strengths position the nation well to drive innovation in areas that strengthen our work with our Indo-Pacific neighbours without compromising Australia's technological advantages in critical defence technologies.

2.5.3 Leveraging research and international education to advance Australia's interests

Deepening Australia's education partnerships with our region is a key Australian Government commitment. It has commissioned a Southeast Asia Economic Strategy to 2040 with education as a key focus. The government is also deepening its engagement with the Pacific.

The government's multilateral engagement, spanning forums such as the Group of Twenty (G20), Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN), East Asia Summit (EAS) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), helps Australia to maintain its reputation as a world-class destination for high-quality education and research, contributing to our global influence and prosperity.

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[106] OECD, *OECD Main Science and Technology Indicators - HERD financed by the rest of the world as a percentage of total HERD,* OECD website, 2023, accessed 9 June 2023.

Ongoing government engagement lays a solid foundation for higher education providers to continue to expand into markets, by broadening their transnational education offerings in alignment with Australian and regional priorities. For example, Australia played a leading role in the development of the new *Global Convention on the Recognition of Qualifications concerning Higher Education* which was ratified in January 2023.

> **Case study: Australia's education partnership with India**
>
> Recent initiatives with India have showcased how Australia could play a greater role educating people on a global scale. India's new *National Education Policy*, which has set an ambitious target for 50% of young people to have a tertiary qualification by 2035, presents a significant opportunity for collaboration.[107]
>
> On 2 March 2023, Australia and India signed the *Mechanism for the Mutual Recognition of Qualifications between Australia and India*. Recognition of qualifications provides a robust foundation for further cooperation, mobility and linkages between students, researchers, academics, and institutions of both countries.
>
> The mechanism will allow for the growth of student and academic flows between our two countries. For a graduate, this mechanism means they can be confident their qualification will be recognised and can be used as a ticket to achieve their further study goals.[108]

Considerations for change

To create a sustainable and globally connected international education sector that benefits Australia and its regions, and to ensure Australia remains internationally competitive, the Review will continue to give consideration to the following policy areas:

a) ensuring that international education supports broader Australian foreign policy objectives, for example, strengthening relationships with India and the Pacific
b) making international education more embedded within the mission of the Australian tertiary education system and to the mission and purpose of individual institutions
c) ensuring the integrity and accessibility of visa pathways for international students
d) promoting flexibility and innovation in international education, including digital and offshore delivery options
e) providing a high-quality university experience for international students
f) improving overseas skills and qualification recognition and expanding international professional qualification accords
g) promoting international commercial use of Australian research capability
h) building closer connections between institutions and their international alumni.

> Potential proposals the Review may also consider for the Final Report, and that reflect the broad themes outlined above, include:
>
> a) new opportunities to increase the scope and mobility of Australian scholarships and programs

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[107] Ministry of Human Resource Development, *National Education Policy 2020* [PDF], Government of India, n.d., accessed 7 June 2023.

[108] *Mechanism for the Mutual Recognition of Qualifications between Australia and India*, Department of Education website, 2023, accessed 7 June 2023.

b) city- and state-based partnerships, and greater recognition of Australian qualifications through regional cooperation agreements.

Encouraging international use of Australian research capability could involve a greater role for Austrade in promoting Australian university research capability to international business and public sector partners.

Fostering closer connections could include explicitly recognising the global engagement role of Australian higher education providers (through education and research) and building and maintaining international alumni networks through their individual mission statements.

2.6: Serving our communities

"Beyond producing graduates and research, the purpose of the modern
Australian university needs to be more explicitly connected to civic outcomes
that advance Australian society and this should be intrinsically tied to the
engaged teaching, research, and outreach functions of the university." –
Engagement Australia

Issues

As Australia's higher education systems grow, so does their importance to their local communities. They are brilliantly positioned not only to create local economic activity and jobs, but also to encourage intellectual enrichment, civic engagement, reconciliation and other social goods.

Community engagement is a central part of university missions, and the Review considers this should be better recognised and sufficiently resourced. Community activities, R&D, and place-based strategies that focus on social and economic inclusion and development are occurring right across the sector.

Universities are looking for ways to evaluate the size and worth of their community-focused activities and the Review suggests that wider adoption of classification measures that aim to increase community engagement efforts should be considered.

This section outlines the important role institutions play as anchors, for their region and local community, and for the nation. It explores options to formalise this critical role, including through a new approach to mission-based compacts and a stronger focus on the important role that regional universities play.

2.6.1 Keystone institutions across local, regional and national communities

The Review is considering mechanisms for universities and other higher education providers to drive towards greater engagement with the community, foster an environment of knowledge sharing, and identify and incentivise their distinctive contributions to national objectives. Institutions must be closely connected with and delivering for their communities.

As well as addressing national skills shortages, many institutions train the future workforce to meet the needs of their local and regional communities, playing a crucial role in economic development.

Across Australia there are many communities which are far from a university campus. For many, this is a matter of physical distance, but it also affects communities where social and economic barriers prevent engagement with a university that may be relatively close by.

Community engagement is essential for these communities and institutions should have a visible presence, especially in areas where many people have not had the chance to attend or even visit higher education institutions. Further work will be needed to support the development of place-based strategies, between and across sectors, to progress and develop the communities that higher

education institutions serve. Strengthened mission-based compacts are a good avenue for this, and could bring together community leaders, universities and other providers, and local business, services and governments to solve problems.

The 2022 Local Government Workforce Skills and Capability Survey highlighted the ability of local governments to develop 'future-ready adult learning systems', by understanding local skills demand, cultivating and promoting inclusive cultures of lifelong learning, strategically tailoring needs and bridging gaps.[109] Engagement with local government and communities can help institutions to identify and forecast skills shortages and respond through course design and delivery in real time, without waiting for national direction.

2.6.1.1 Highlighting First Nations connections

Recognising, supporting and listening to the voices of First Nations people is an essential task for our contemporary higher education system. The Review considers that engaging with these voices and perspectives on a deeper level will not only increase the numbers of First Nations students entering the system, but also ensure the value of First Nations knowledge is recognised and incorporated into all institutional operations.

> "We urge the Accord Panel to fortify the leadership already demonstrated by Indigenous Australians, through careful consideration of not just the equity concerns for Indigenous peoples, but the significant contributions Indigenous Australians bring to the sector as scholars and professional staff." – Western Sydney University Indigenous Professoriate

> "Education alone is not sufficient; a culturally appropriate, holistic, community supported, strengths-based approach will provide the best foundation for young First Nations people to prosper and succeed in higher education." – National Indigenous Australians Agency

There needs to be more effort to foster this connection, by delivering course content in culturally safe, local settings, and with tailored student support services aimed at boosting completions and success. This could include new campus models, or centres of excellence led and developed by First Nations people.

Case study: Munarra Centre for Regional Excellence (MCRE)[110]

A not-for-profit centre of First Nations excellence based in Shepparton, the Munarra Centre for Regional Excellence will be a space of cultural affirmation, identity and strength, in addition to a university campus. It will provide a culturally safe space for multiple education and training providers, including the University of Melbourne, La Trobe University and GOTAFE.

Formed in partnership between the University of Melbourne, the Kaiela Institute and the Rumbalara Football and Netball Club, the centre will celebrate cultural identity, and improve

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[109] SGS Economics and Planning and G Sansom, *Local Government Workforce Skills and Capability Survey Final Report*, Australian Local Government Association, 2022, accessed 7 June 2023.
[110] Rumbalara Football and Netball Club (RFNC), Munarra Centre for Regional Excellence, RFNC Website, n.d., accessed 7 June 2023.

> health, education and employment outcomes for First Nations people in the region through the delivery of a broad range of VET and higher education courses.

First Nations-led institutions that can deliver course content and conduct research focussed on furthering First Nations pedagogy and knowledge also play an important role in delivering for community. These institutions could be supported by culturally engaged approaches to regulation and funding that ensure decision-making can be truly led by First Nations communities.

> **Case study: Batchelor Institute of Indigenous Tertiary Education (BIITE)**[111]
>
> As a specialist institute and the only First Nations dual sector tertiary education provider in Australia, BIITE serves a unique role in providing provides education, training programs and courses for First Nations Peoples. BIITE also provides facilities and resources to allow students and staff to conduct research and study. The majority of students reside in remote communities in the Northern Territory, with some students also traveling from interstate.

2.6.1.2 Recognising the role of universities in the regions

Universities play an important role in regional Australia and the social and economic contribution they make to their local communities and regions is significant.

> "Australia's regional universities… operate under a distinct social charter to develop highly skilled regional workforces, to deliver world-class research and innovation outcomes for regional industries, and perhaps most importantly, to lift retention and attainment rates of traditionally under-represented student cohorts." – Regional Universities Network

Regional universities provide essential infrastructure and facilities which might not be present otherwise, with consequences for communities beyond university staff and students. As large 'beacon' locations in the regions, universities play a key role in the stewardship of their region, especially in times of crisis, even when they might not have the capacity to do so. They can provide the critical mass of a highly skilled workforce to bolster and lead R&D projects with ties to local industry and community. Regional universities' social and economic contribution to regional Australia needs to be better measured, valued and celebrated.

Regional universities face unique challenges. The diseconomies of scale inherent in regional universities inhibit growth, investment and social impact.[112] Additionally, it can be hard to attract staff from outside the region. Despite these challenges, these institutions do a large amount of heavy lifting for the sector and for their communities. The Review notes there are many positive examples of regional universities building capability and strength within their local communities and responding to issues that directly affect their region.

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[111] Batchelor Institute of Indigenous Tertiary Education, *Annual Report 2020* [PDF]*,* Batchelor Institute of Indigenous Tertiary Education, 2020, accessed 13 June 2023.
[112] RUN, *Submission to the Australian Universities Accord Discussion Paper*.

Case study: Southern Cross University supporting flood impacted communities[113]

When the catastrophic 2022 floods hit the region in February and March, Southern Cross University's Lismore campus became the main evacuation centre for residents and a rallying point for many relief efforts.

More than 20 local organisations used the Lismore campus as their base in the aftermath of the floods, with a range of service providers remaining on campus this year.

These include:
- 30 consulting rooms for Primary Health Network mental health practitioners, general practitioners, and a pop-up pharmacy and pathology
- Trinity Christian College and The Living School establishing their schools on campus.
- TAFE NSW delivering programs from the Lismore campus
- Business NSW establishing the Northern Rivers Business Hub as it continues to support local enterprise
- a suite of more than 50 pod homes constructed as emergency housing on the university's football fields.

Southern Cross University's work is just one of the many of universities helping their community in times of need. Other examples include the Tropical Cyclone awareness and preparedness work undertaken by James Cook University each cyclone season in North Queensland, the University of New England and Charles Sturt University support for the region during the 2019-20 Black Summer Bushfires, and the irregular and essential work undertaken by many regional universities in responding to COVID-19.

The geographic realities of operating in regional, rural and remote areas require strong collaboration and partnerships, bringing together institutions, all levels of government and organisations to meet specific local needs. For example, as the only university located in the Northern Territory, Charles Darwin University helps to drive development in the territory, through partnerships and engagement across Northern Australia and into the broader Asia-Pacific region. The Cyber Territory Skills Hub delivers vocational and short courses in cyber security, drawing on Charles Darwin University's research in this field, and is aimed at upskilling local small-medium enterprises.[114]

Case Study: Regional Medicine

Regional universities are playing a critical role in training the future regional medical workforce.

The Murray-Darling Medical Schools Network consists of five rurally based university medical school pathway programs in the Murray-Darling region. The network allows medical students to study and train in the Murray-Darling, reducing the need for them to move to metropolitan areas. Forming the basis of this program is evidence that suggests that students are more likely to work

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[113] Southern Cross University (SCU), 'Seeds of hope sprout one year on from 2022 floods', *SCU News*, 3 March 2023, accessed 20 June 2023.

[114] CDU, 'New cyber security training hub planned for Charles Darwin University', *CDU Newsroom,* 7 February 2023, accessed 16 June 2023.

in rural areas after graduating if they come from a rural background or undertake long-term rural training.[115]

There are also several joint programs in regional medicine, including:

- The Northern Territory Medical Program, which provides training for Flinders University and James Cook University medical students based at Charles Darwin University and the Royal Darwin, Alice Springs and Katherine hospitals.[116]
- The University of Newcastle and the University of New England partnership to deliver a Joint Medical Program, so students can undertake placements in urban, regional and rural settings across the Central Coast and Hunter New England regions.[117]
- Charles Sturt University in partnership with Western Sydney University has established a Joint Medical Program for the training and education of doctors in regional, rural and remote Australia.[118]

The Review believes there is merit in considering a national industry linkage into regional education program, which would provide a broker in designated regions to facilitate collaboration and innovation between industry, schools, VET, providers, local governments and community. It would aim to improve aspiration for further education in the regions, improve retention and completion rates in tertiary education through purposeful education, and address regional workforce issues.

Given the unique contributions made by regional universities, with consideration of the specific challenges they face, the Review will further consider methods of funding for regional universities. This could include, but not be limited to, a universal service obligation and a reframed regional loading, designed to identify, measure and fund those characteristics specific to regional universities.

2.6.2 Community-led research

Local regions also significantly benefit from community-led research, which seeks to make communities equal partners and co-leads in the R&D process. Community-led research projects are often driven by the needs of the community, aim for sustainable change beyond the life of the project and break down traditional power imbalances between researcher and community.[119] Community-led research is particularly important for First Nations communities, which have historically been the subject of, rather than partners in the research process.

Case study: Community-led approaches to First Nations health research

First Nations community-led health research, such as _Education programs for Indigenous Australians about sexually transmitted infections and blood-borne viruses_, has produced a number of frameworks that identify a need to reorient current research approaches with First Nations

[115] Department of Health and Aged Care, _Murray-Darling Medical Schools Network_, Department of Health and Aged Care website, 2023, accessed 7 June 2023.
[116] Northern Territory (NT) Health, _Training and education for health professionals_, NT Health website, 2023, accessed 7 June 2023.
[117] The University of Newcastle and University of New England, _Find your path to medicine: the joint medical program 2024_ [PDF], The University of Newcastle and University of New England, n.d., accessed 7 June 2023.
[118] Charles Sturt University (2022) _Charles Sturt and Western Sydney University celebrate the success of the Joint Program in Medicine_, CSU News, accessed 18 June 2023.
[119] V Rawlings, J Flexner and L Riley (eds), _Community-Led Research: Walking New Pathways Together_, Sydney University Press, Sydney, 2021.

communities, and has led to multifaceted approaches to community education and health promotion.[120] Reorienting sexual health research with First Nations communities towards community-led frameworks increases the potential for better data collection and significant improvements in sexual health outcomes for communities.[121]

Regional universities also have a crucial role to play in delivering applied research. Regional universities deliver research that can have considerable impact in their communities, bringing innovative and new approaches to the unique and important challenges of their region.

Case study: University of Southern Queensland's Barley Breeders Program

Australian barley growers needed help in their fight against a fungal disease that has been causing $177 million in yield losses each year. They received this help from a group of university researchers, led by Associate Professor Anke Martin of the University of Southern Queensland. The research undertaken in the University of Southern Queensland's Barley Breeders program will produce fungal strains with multiple virulence genes for fast and cost-effective testing of barley lines, untangle the fungal/host gene interaction for resistance breeding and identify new sources of resistance.

This research aims to help in developing disease resistant barely varieties, preventing millions of dollars of crop losses for the barley industry.[122] The research to equip Australian growers with novel biological and genetic tools is a result of a collaboration between university researchers, industry partners led by InterGrain Pty Ltd. This has been successful in obtaining funding under the Australian Research Council Linkage Grants program.[123] The research partnership could lead to commercialisation of barely varieties with durable fungal resistance by Australian breeding companies.

2.6.3 The importance of alumni

A university's graduates are a valuable part of its community, forming a bridge between the educational institution and the networks within which they operate. Institutional capability can be built through alumni engagement and philanthropy, while alumni also promote the benefits of their institutions. Alumni networks can also provide opportunities for WIL and other opportunities for industry engagement.

As discussed in Section 2.5, international students spend some of their most formative years in Australian universities and can be powerful champions for Australia across the world. And close connection to a cohort can be a positive part of student life for both international and domestic students. Cohorts often help each other to succeed in their studies.

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[120] Australian Institute of Health and Welfare (AIHW) and Australian Institute of Family Studies (AIFS), *Education programs for Indigenous Australians about sexually transmitted infections and bloodborne viruses*, AIHW and AIFS, Australian Government, 2012, accessed 13 June 2023.
[121] S Rosenberg, R Lobo, J Hallett and M Roberts, *An evidence review from Australia, Aotearoa/New Zealand and Canada for the WA Aboriginal Sexual Health and Blood-borne Viruses Strategy*, Department of Health, Government of Western Australia, 2019, accessed 6 June 2023.
[122] University of Southern Queensland (UniSQ), *ARC project helps barley breeders in fight against disease*, UniSQ website, 2023, accessed 21 June 2023.
[123] Australian Research Council (ARC), *Research Management System - Funded Projects - Linkage Projects 2022 round 1,* ARC website, 2022, accessed 21 June 2023.

The Review is considering options to drive greater encouragement and leveraging of alumni networks to provide opportunities for WIL and industry engagement, as well as a greater focus on helping students find a cohort of connected students in larger institutions or while studying online.

> **Case study: The Indigenous Alumni Network**[124]
>
> Established by First Nations alumni from the 1980s and 1990s, the objective of the Australian National University Indigenous Alumni Network is to enable Indigenous students and alumni to engage and remain connected with each other and the Australian National University.

2.6.4 A stronger civic agenda

Higher education is strongly associated with civic engagement. It advances students' civic mindedness and engagement, thus increasing the active citizenship and democratic strength of our society. The Review suggests that community engagement classification measures should be considered by higher education institutions, given the stated difficulty in quantifying the efforts of providers in this regard. A growing range of evaluation, ranking and analysis is being built internationally across higher education (for example, the Times Higher Education Impact rankings),[125] and all sectors, as the world focuses more intently on environmental, social and governance outcomes alongside economic output.

> **Spotlight: A community focussed mission-based compact**
>
> The Review heard of the need for renewed mission-based compacts that recognise the community engagement work of universities. Such agreements would enable institutions to specialise and align their missions and activities to the communities they serve. Mission-based compacts would be an avenue for universities to demonstrate engagement with their unique community and detail plans to further advance their civic functions.

Considerations for change

To ensure higher education providers deliver for their communities and make distinctive contributions at a local, regional and national level, the Review will continue to give consideration to the following policy areas:

a) recognising and formalising the crucial role institutions' play in their communities through the Accord process and mission-based compacts
b) the creation of stronger links between industry and education, particularly in regional areas and other areas with low participation and attainment rates
c) encouraging institutions to draw on the strengths of their alumni communities.

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[124] Australian National University (ANU), *Indigenous Alumni,* ANU Website, n.d., accessed 7 June 2023.
[125] Times Higher Education (THE), *Impact Rankings 2023,* THE website, n.d., accessed 7 June 2023.

2.7: Research, innovation and research training

"Australia has a world-class research system, which is why it is critical that we get the policy settings right to continue to support universities in their research efforts. … To realise the full potential of Australia's research efforts and capacity, investment in research and development must be lifted to meet the average of our international competitors." – Universities Australia

Issues

The Australian R&D system is unlike the R&D systems in most leading OECD nations. Here, universities play a larger than normal role compared to international economic peers.

Industry R&D expenditure in Australia is low by OECD standards (at 0.90% of gross domestic product in 2019-20) and has been stagnant in recent years.[126] Government investment, although growing, has been marginally declining relative to economic growth.[127]

But Australia's universities are significant R&D contributors, accounting for 36% of the nation's R&D expenditure, high by OECD norms.[128] Much of that work has significant economic benefits – from solar cells to fully automated mines to COVID-19 virus sequencing. The university sector also does the underpinning work for our innovation and R&D systems, training PhD students, carrying out the bulk of our basic and strategic basic research and producing the majority of our scientific publications – a big task given Australia produces 4% of the world's published research with only 0.3% of the world's population.[129]

Despite this strong performance, it is frequently asserted that Australian higher education research is not being used for economic or social benefit. There is evidence for and against this. The evidence for includes the following:
- only 33% of university research income comes from industry and 27% from 'public sector other' sources (that is, commissioned research not won through formal competitive research grant schemes)[130]
- in terms of international innovation rankings such as the Global Innovation Index, Australia has for many years scored poorly compared to OECD peers, with Australia ranking 37th in knowledge and technology outputs, behind such countries as Switzerland (first), the United States (third), the United Kingdom (eight) and Japan (11th).[131] While Australia, ranking 19th, has reasonable innovation inputs (stable business and legal systems, good education and research systems), it fails to translate these into high impact innovation outputs (new processes, products and services).

The case against includes:

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[126] ABS, *Research and Development (various)* [data set], abs.gov.au, 2022, accessed 7 June 2023.

[127] DISR, *Science, research and innovation (SRI) budget tables 2022–23* [data set], industry.gov.au, 2023, accessed 8 June 2023.

[128] OECD, *Main Science and Technology Indicators – Percentage of GERD performed by the Higher Education sector* [data set], oecd.org, 2019, accessed 7 June 2023.

[129] DISR, *Australian Innovation System Monitor*, DISR, 2021, accessed 15 June 2023.

[130] Department of Education, *Research income time series* [data set], education.gov.au, 2022, accessed 9 June 2023.

[131] World Intellectual Property Organisation (WIPO), *Global Innovation Index 2022*, WIPO, 2022, accessed 9 June 2023.

- it is only in our universities that Australia has research capability in several areas of sovereign risk
- many examples of university research having a transformative economic or social impact – think solar cells, fully automated mines, the Jameson cell, new wheat varieties and COVID-19 virus sequencing
- all formal university/industry grant schemes are heavily oversubscribed and all have rated well in formal evaluations of the schemes.

We need clear measures to indicate how useful our university research actually is to end-users.

In summary, the Review considers that given how much of Australia's R&D reputation depends on the university sector's strong performance in R&D and the need to ensure Australia has research capability in areas of sovereign risk (communications, medicine, climate extremes, Antarctica and so on), the research strength of our universities should be protected and increased. The Review is also of the view that mechanisms for sharing and translating university research should be improved significantly, starting with establishing a baseline and then continuing to measure how useful university research actually is to end-users.

2.7.1 Getting the foundations right and protecting the basics

2.7.1.1 The importance of international peer-reviewed competitive research

Producing excellent university research enables Australia to solve complex and wicked problems, make ground-breaking discoveries, and train its research workforce to be at the forefront of global breakthroughs.

The Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC) and other organisations running National Competitive Grants play a pivotal role in Australia's research ecosystem, providing funding for critical basic and strategic basic research and ensuring high-quality research through selecting grants using rigorous international peer review. Research supported by these grants has considerable impact, with high levels of fundamental discovery along with solving hard problems, thereby improving the lives of Australians. Funding for the ARC has not grown significantly for many years and this puts our capacity for breakthrough research at risk.[132]

2.7.1.2 Funding National Competitive Grants

Even though the National Competitive Grants are awarded in fierce competition, these granting bodies provide only part of the funding on any given grant (though a contribution to the difference between the amount awarded and the full cost is provided through a block grant mechanism, the Research Support Program); the host university needs to supply the rest. Finding that difference is difficult for universities. Often this funding gap has to be covered from non-government sources with many universities funding the difference from international student fees. This is possible for universities that have significant earnings from international student fees, but harder for those that don't. Whatever source they have (or don't have), winning National Competitive Grants costs universities money. The British have a term for this – 'the burden of matched funding'.[133]

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[132] DISR, *SRI budget tables 2022–23.*

[133] T Cutler, *Alliances for innovation and economic development: the Australian experience* [PDF]*, Cutler & Company, 2008, accessed 9 June 2023.

The size of this issue is best illustrated by noting that research income reported through the Higher Education Research Data Collection (HERDC) across all Australian universities was $5.1 billion in 2020,[134] but they expended $12.7 billion on R&D in the same year.[135]

This situation is less than ideal – universities are potentially disincentivised from applying for the most prestigious grants that are associated with producing the bulk of the country's basic and strategic basic research. The fact that the grants are fiercely competed for illustrates how important research is to universities. Of course, there is the reputational benefit to universities from strong research performance which significantly influences rankings. This in turn affects the recruitment of international students.

Many submissions have argued that the National Competitive Grants should be fully funded. If this happens and the total funding for the National Competitive Grants is held constant, the success rates for the grants will fall. This could mean that good researchers would likely leave the sector and Australia which would, in turn, lead to less inspiring teaching and a diminished perception of the quality of the system. The unsustainability of the current arrangements leads the Review to consider, on balance, that teaching and research may need to be funded separately and that consideration should be given to ensuring National Competitive Grants cover the cost of undertaking the research.

2.7.1.3 Embedding and promoting First Nations research and knowledge systems

Australia is home to the oldest living culture, a culture with its own diverse epistemological practices, including deep and enduring histories of oral tradition, as well as storytelling, cultural, scientific, medical and agricultural practices. Valuing and embedding First Nations knowledges in Australia's university research sector is an opportunity Australia should not miss. Not only will this enable First Nations people to take a leading role in shaping and producing knowledge, but it will also improve understanding in the community – both domestically and globally – of First Nations knowledge, culture and history.

> "We encourage the Government to prioritise advancing research and collaborations in Indigenous knowledge systems across the higher education sector." – Pro Vice-Chancellor Indigenous, University of Melbourne

Embedding and promoting First Nations research and knowledge systems will require growing the pipeline of First Nations research students. First Nations students are currently underrepresented in PhD enrolments, making up only 1.7% of total enrolments.[136] Programs should be targeted at incentivising and supporting First Nations students to undertake and complete HDR programs. These programs could be developed and designed in collaboration with First Nations people and academics. There are already many great examples of this across the sector.

> "Indigenous scholars … are injecting re-oriented life into the crevices and silent spaces of disciplines and the research landscape has been transformed by Indigenous-led scholarship, raising the ethical and obligatory benchmarks for good practice. Indigenous leaders, both in role and function, propel innovation and creative, generative networks within our universities." – Western Sydney University Indigenous Professoriate

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[134] Department of Education, *Research income timeseries*.
[135] ABS, *Research and Experimental Development*, ABS website, 2022, accessed 8 June 2023.
[136] Department of Education, *Domestic PhD student enrolments (by equity group)* [unpublished data], Department of Education, Canberra, 2023.

First Nations scholars from all disciplinary practices should be empowered to thrive within the research sector. Beyond deepening Australia's understanding of First Nations culture and history, involving First Nations voices across all disciplines – from medical care to astrophysics to languages – provides a unique, and ultimately beneficial, perspective to Australia's research system. Universities have a role to play in creating culturally safe and inclusive environments in which First Nations voices can be heard.

Industry and government also have a role to play in being model users of First Nations research, embracing unique perspectives to solve wicked problems. An example of such is the consideration of First Nations practices in mitigating the local impacts of climate change.

2.7.1.4 Building our research capacity through research training and developing our research workforce

To provide critical and advanced skills in key sectors of the economy, Australia needs to train enough people to doctoral level. Data on exactly how many are needed at this level are not readily available, but there needs to be enough doctoral graduates to cover demand for roles in the academic workforce (where a PhD is the default entry qualification) and a high proportion of the non-university research sector including industry and government research agencies.

Building the research workforce delivers benefits for the wider society, as many of these individuals will work outside higher education, helping to drive new and innovative ways of approaching problems, based on the expertise they gained in their research training.

Just as we do not have data on industry supply and demand at this level, there is little information about whether we are producing sufficient PhDs in the right disciplines. There is no national research training policy or framework driving this data collection or forward research workforce planning.

The PhD in Australia generally takes the form of an apprenticeship with a more experienced researcher or research group, with the major output for assessment being a thesis. PhD students supply much of the 'grunt' in our research system, which raises the question of whether we pay enough attention to their education as opposed to seeing them as a welcome labour source. Our PhD offerings do not typically involve the deep coursework that characterises the PhD in the United States. Nor do we often offer PhD students training in cognate fields (such as education or entrepreneurship qualifications) that would enhance their prospects of good careers beyond academia.

Domestic enrolments in HDR programs have recently trended slightly downward, with a 5% decline in enrolment numbers between 2016 and 2020.[137] Many submissions to the Review have indicated that a key factor contributing to this decline is the PhD stipend, which is often below the minimum wage and therefore uncompetitive with industry or public sector salaries. This places significant financial pressure on HDR students, especially those with dependents.

Another factor cited is the lack of research positions available at the next training level, the postdoctoral level. Many early career researchers at postdoctoral level, while valuing postdoctoral experience, are extremely stressed as they seek a research career but, as there is relatively little research funding available, the number of postdoctoral positions is limited so the next job for these researchers is rarely guaranteed.

Given this, further consideration needs to be given to the future of research training programs, including the financial support and career structure necessary to build the next generation of research leaders, and empower a more diverse cohort of early career researchers. In addition to the underrepresentation of First Nations PhD students, those with disability and those from low SES

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[137] Department of Education, *Higher Education Statistics – 2021 Student Data*.

backgrounds are not adequately represented in recent PhD student cohort figures (making up 7.8% and 9.7% of total PhD enrolments respectively).[138] Research training pathways could be refined to improve accessibility for all Australians wishing to undertake research, which in turn will lead to a more diverse range of PhD graduates and researchers in the workforce.

Research training in the form of tailored career development for teaching-and-research and research-only academics could also be enhanced. Such training needs to complement training in university education.

Clarity of approach to research training and support for early career researchers is vital and needs to be addressed with some urgency.

2.7.1.5 Strengthening research infrastructure

Research infrastructure is a major contributor to high-quality Australian research, and subsequently the contribution that research makes to addressing national and global problems. Several submissions to the Review have argued that there is insufficient funding for both research and other university infrastructure, risking Australia's ability to undertake leading-edge experimental R&D.

Australia has had research and broader infrastructure mechanisms that have worked well in the past, notably the Education Investment Fund (EIF), which funded general university infrastructure (discussed further in Section 3.3). Currently, the Government's main programs for funding research infrastructure are the National Collaborative Research Infrastructure Strategy (NCRIS) and the Medical Research Future Fund (MRFF).

NCRIS provides critical research infrastructure on a national scale, promotes strong collaboration across research institutions, and strategically targets funding for national priorities. However, most NCRIS funding is currently due to end in 2028-29, and greater certainty is required for the future of the program. It is important that this source of funding continues to ensure that necessary, cutting-edge research infrastructure can be constructed, operated and made accessible to researchers conducting research that meets national priorities.

> "Ongoing underinvestment in infrastructure for public higher education exposes Australia to an increased likelihood that we will be left behind other jurisdictions such as the United Kingdom and Canada which continue to make significant investment in tertiary education infrastructure." – University of New England

> "While Australian research has been well served by the National Collaborative Research Infrastructure Strategy (NCRIS), this does not provide a holistic or guaranteed sustainable source of research funding." – The Group of Eight

While there is strong support for funding through NCRIS, this provides only a proportion of the needed higher education infrastructure. Submissions have argued that adequate funding is needed to meet the demand for both research infrastructure and contemporary learning and teaching facilities.

The Review suggests consideration be given to NCRIS moving to sustainable, ongoing funding.

2.7.1.6 The importance of measuring research quality

The Australian university system is internationally recognised for its high-quality research capabilities. Research performance evaluation plays an important role in preserving Australia's

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[138] Department of Education, *Domestic PhD student enrolments (by equity groups)* [unpublished data].

research bedrock, demonstrating that the significant level of investment in university research is leading to strong outcomes for the nation. However, many universities argue that the recent research assessment exercise, Excellence in Research for Australia (ERA), came with too high an administrative burden. Accordingly, the recently completed Review of the *Australian Research Council Act 2001* has recommended that ERA, along with the ARC's Engagement and Impact assessment, be discontinued.[139]

The Review, after consulting TEQSA, notes national research performance evaluation is vital not least for providing research funders evidence of value for money and notes that recent developments in data technology offer opportunities to move toward less labour-intensive processes for collecting performance data and assessing performance, though these data-driven approaches will not remove the need for some peer review and expert analysis of data to measure Australia's research outcomes fully.

2.7.2 Sharing and translating university research

Effective sharing and translation of university research and research expertise is important for a successful knowledge economy. Understanding what is being achieved (through measurement) is vital, as are pull and push factors.

2.7.2.1 Measure how useful university research is – establish the baseline and monitor over time

There are many examples of Australian higher education research translating into tangible, real world benefits – from fewer deaths and disease prevention to improved processes and efficiencies. However, as noted above, there is conflicting evidence on how much end-users in industry, government and the community are drawing on and using university research expertise. Given the amount invested in university research, it is important to settle this with quantifiable evidence. The Review considers that a measure could be constructed of the interaction between Australian university researchers and end-users, and of the impact and value of that interaction. The initial calculation of this measure would provide a baseline and then re-calculation, perhaps at two-yearly rests, would provide information on any improvements or otherwise.

The very act of measuring this will almost certainly have the effect of improving the interactions as the higher education sector, especially its research part, is inherently highly competitive.

Measuring interactions and their impact is not trivial but it is an area where a lot of work has been done both in Australia and overseas. An example that could be adapted to this purpose is narrative CVs used by the NHMRC and UK Research and Innovation to enable researchers to showcase a range of skills and experience when applying for research funding. In turn, the information collected through this process can be used to demonstrate research impact.

2.7.2.2 Show how it's done – government to become an exemplary user of research (pull mechanism)

University research can be drawn on by governments to address not only the grand challenges of solving the nation's wicked problems but also the more routine policy issues. There are already

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[139] M Sheil, S Dodds and M Hutchinson, *Trusting Australia's Ability: Review of the Australian Research Council Act 2001*, Australian Government, 2023, accessed 9 June 2023.

examples across jurisdictions where governments have enlisted the expertise of university researchers to help drive policy development and community engagement, but this needs to become more widespread.

Finding ways for governments to optimise how they draw on university research will be useful in itself but it will also provide a guide for industry and communities to do likewise, hopefully leading to a broader culture shift by signalling to industry that academic research is highly valuable.

> **Case study: State government collaboration with the University of Tasmania**
>
> The Tasmanian Government has a long-standing relationship with the University of Tasmania as a significant contributor to the economic, social, and cultural development in the state. Since the 1990s there has been to a formal partnership between the state government and the University under which the university carries out the majority of the state's agriculture and aquaculture research through two specially created entities, the Tasmanian Institute for Agriculture (TIA) and the Institute of Marine and Antarctic Studies (IMAS). The agreements governing these partnerships have been reviewed and renewed several times.[140]

2.7.2.3 Research broker bodies (pull mechanism)

Research broker bodies, such as AMIRA in the private sector, and the rural research corporations and the Chief Scientists' Offices in the public sector, have shown that they can deliver good results through identifying challenges, pulling together the right researchers, project managing, and managing funding to achieve targeted research outputs. Broker bodies such as these could be used more widely to bolster use of university research further.

2.7.2.4 Increase academic consulting (pull mechanism)

Academic consulting fills a gap in the consulting market and is most successful when deep research knowledge and expertise is needed to solve a problem. The Productivity Commission has recommended processes to facilitate academic consulting arrangements to make use of university research expertise and specialist knowledge, including that universities should reduce barriers to academic consulting and enable further avenues for university researchers to consult with business and government.[141] As outlined above, there is also a role for government to play in becoming an exemplary user of academic research, including consulting. Increasing academic consulting would further break down barriers between academia and industry.

University think tanks bring academic expertise to public policy and enhance public sector/university collaboration. Several universities are working with governments and industry to create think tanks which provide advice on major issues. Good examples include:
- the Grattan Institute, which provides advice across a range of social and economic policy issues
- the James Martin Institute for Public Policy, which provides public policy advice to government
- the Melbourne Centre for the Study of Higher Education at the University of Melbourne (formerly the LH Martin Institute), dedicated to policy and practice in higher education

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[140] Tasmanian Government and University of Tasmania, *State of Tasmania and University of Tasmania - Making the Future Partnership*, Department of Premier and Cabinet, Tasmanian Government, 2015, accessed 7 June 2023; Fishing Tasmania, *Sustainable research agreement renewed*, Fishing Tasmania website, 2023, accessed 7 June 2023.
[141] Productivity Commission, *5-Year Productivity Inquiry: Advancing Prosperity. Recommendations and Reform Directives*.

- the Mitchell Institute for Education and Health Policy at Victoria University, a health and education policy think tank.

Also, the NSW Innovation and Productivity Council makes a point of sourcing expertise from NSW universities in providing its advice to government.

2.7.2.5 Keep encouraging universities to move towards research translation and commercialisation (push mechanism)

University researchers are good at refining and solving hard problems. To drive research impact and strong economic outcomes, the Review is considering ways in which university and industry collaboration could be incentivised and promoted further to tackle major industry problems.

Universities have signalled their strong interest in doing this, with many of them establishing Deputy or Pro Vice-Chancellor (Industry), or similar, roles in recent years. And they are enthusiastic participants in university/end-user collaborative schemes. These schemes, including the ARC Linkage Grants, the Cooperative Research Centres, Australia's Economic Accelerator, and the National Reconstruction Fund, have been successful in bolstering research translation and commercialisation.

Industry is indicating that it too is more interested in using university research. The amount of industry-funded research in the higher education sector has grown over the last five years, increasing from $481 million to $666 million.[142] This growth, which has been spurred in part by university-industry funding schemes, could continue to be incentivised further to boost collaboration and research translation.

2.7.2.6 Upskill the research workforce – training in translation/commercialisation/entrepreneurship (push mechanism)

As outlined above, alternative pathways for researchers could be made clearer to ensure that the broader research workforce and economy has the skillset and number of PhDs required for Australia to be competitive on the global stage. Increasing the share of researchers including PhD graduates working in parts of the economy other than higher education and government research jobs, particularly in leadership roles, may also be an important contributor to the development of an ecosystem that promotes research translation and adoption.

Internationally, there are many good examples of structured PhD programs. These programs are designed to equip PhD candidates for careers outside higher education and could be adopted here.

Case study: The US National Institutes of Health (NIH) Broadening Experience in Scientific Training (BEST) program

In 2013 and 2014 the NIH in the US developed a program to support training for doctoral candidates and post-doctoral researchers to equip them to address the greatest challenges and opportunities in biomedical research, recognising that traditional research-intensive positions are not the only means by which PhD graduates can meaningfully contribute to the biomedical research enterprise. The NIH provided support for training opportunities for early career scientists to prepare them for a variety of career options in the dynamic biomedical workforce landscape.

The BEST awards supported a variety of program in US universities to offer broadened training programs that would provide skillsets that reflected the many careers outside academia or other public research organisations, such as entrepreneurial, leadership and other business and

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[142] Department of Education, *Research income timeseries*.

management skills. The programs supported "culture changes at academic institutions" to enhance how early career researchers approached their career options.[143]

2.7.2.7 A proportion of PhD students from industry (pull mechanism)

Australia has recently commenced a formal scheme, referred to as the industry PhD, where PhD students work on problems nominated by industry. Other countries have taken this further and have firms assign employees to PhD programs where the PhD candidate typically works under joint university/industry supervision on problems nominated by the firm, often submitting a thesis that is a collection of published scientific papers on these problems. The advantage of this approach is that the candidate is working on issues directly of interest to their employer and is receiving their standard salary rather than subsisting on a PhD stipend. Australia could move to educating a significant proportion of its PhD students in this way.

Considerations for change

To strengthen Australia's capacity to produce high-quality and high-impact research, and encourage greater use of university research and research expertise by government, industry and the community, the Review will give further consideration to the following principles:

a) how the research strength of our universities could be protected and increased (protecting the basics), given how much of Australia's R&D reputation depends on the university sector's strong performance in R&D and the need to ensure Australia has research capability in areas of sovereign risk

b) mechanisms for sharing and translating university research should be improved significantly, starting with establishing a baseline and then continuing how to measure how useful university research actually is (sharing and translating university research).

To protect research basics, the Review is giving further consideration to the following policy areas:

a) developing a funding mechanism that explicitly recognises the importance of research, innovation and scholarship

b) how best to ensure sufficient funding for the Australian university research sector to meet national research priorities

c) moving over time to ensure National Competitive Grants cover the full cost of undertaking research

d) developing a national, holistic policy for research training

e) improving the measurement of the quality and impact of Australian research, including by deploying advances in data science to develop a 'light touch' automated metrics-based research quality assessment system

f) making the cost of university R&D, innovation and scholarship activities across all universities transparent

g) ensuring ongoing investment in critical research infrastructure and its maintenance.

To share and translate university research more effectively, the Review is giving further consideration to the following policy areas:

a) developing metrics to understand industry/university and government/university research collaboration and translation

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[143] National Institutes of Health (NIH), *Strengthening the Biomedical Research Workforce*, NIH website, 2021, accessed 7 June 2023; D Chatterjee, JK Ford, JW Rojewski and SW Watts, 'Broadening Experiences in Scientific Training (BEST): Do biomedical faculty members want institutional help?', *SN Social Sciences*, 2021, 1(27), doi:10.1007/s43545-020-00029-x.

b) encouraging government to become an exemplary user of university research, using it to address nationally significant complex problems and enhance sovereign capabilities and becoming an example to industry on how to use university research capability
c) exploring mechanisms that keep universities, industry and government informed of nationally significant research problems, and of nationally significant research capabilities in the higher education system
d) extending the use of research brokers and research challenge mechanisms and bodies
e) encouraging academic consulting, and improving university capability to do such work
f) establishing a target for the number of PhD candidates employed in industry undertaking a PhD relevant to their firm.

Potential proposals the Review may also consider for the Final Report, and that reflect the broad themes outlined above, include:

Protecting the basics:

a) significantly increasing immediate investment in the ARC
b) increasing funding for First Nations knowledges and for collaboration and partnerships between First Nations communities, governments, and universities
c) moving NCRIS to a future fund style of funding.

Improving the research training system to support and attract students to research careers:

a) increasing PhD stipend rates
b) offering postgraduate and postdoctoral researchers extra skills-oriented training in parallel with PhD study or postdoctoral work
c) creating research training targets for equity groups
d) encouraging taxation adjustments to make industry-linked and part-time research training scholarships tax free, in line with full-time scholarships
e) encouraging institutions to offer innovative PhD and professional doctorate models, including using portfolio, project, and multi-part dissertation formats and revitalising HDR coursework offerings.

Better sharing and translating research:

a) developing a mechanism that keeps universities, industry and government informed of research capabilities in the higher education system and research problems faced at a national level
b) incentivising university/end-user collaboration programs, such as the ARC Linkage Grants, the Trailblazer Universities Program, Australia's Economic Accelerator, the Cooperative Research Centres Program, National Reconstruction Fund and the R&D Tax Incentive.

Chapter 3 Foundations of a high functioning national system

As Australia's economy and society evolve rapidly, our higher education system must be capable of adapting to serve growing demand, expanding to deliver new knowledge and capability, and helping to address complex generational challenges.

The responsive and aligned system described in the Review's vision requires deep renewal and widespread changes to the foundations that support Australia's current higher education system.

This chapter explores these foundations, including current funding and governance and regulatory mechanisms, and identifies options for change to make these foundations agile, stronger and more fit for purpose.

3.1: National governance: towards a coherent tertiary system

> "There is... a critical need for the sector to be supported in offering a diversity of educational experiences, including through support and frameworks for shorter forms of learning and by facilitating greater mobility between school, TAFE and university. UTS supports the need for recognising and enabling greater diversification and recommends this be achieved by allowing diversity to flourish through the design of the system and funding drivers. Institutional autonomy, supported by sound governance frameworks that allow the deployment of resources towards each university's mission and purpose, should be protected."
> – The University of Technology Sydney

Issues

Higher education is likely to need stronger planning and analytical capability, and more collaborative mechanisms to build complementary and differentiated institutions that, when combined, better meet the needs of Australian communities and the nation overall.

Currently, Australia's policy, funding, regulation and use of evidence to guide the evolution of tertiary education is beset by fragmentation, under-investment and competing interests between different institutions and agencies. The system has grown in recent years without regard to how or where institutions operate. In addition, the current system does not have the settings to facilitate alignment between VET and higher education.

This section discusses options to deliver stronger, more adaptable and more responsive governance and structures to build a coherent national tertiary system. It explores the concept of new public institutions, and ways to drive a greater level of alignment across the tertiary education system. It considers how the regulatory frameworks and role of the regulators could potentially operate with a new governing body. One of the major concepts the Review is considering for a future system is a new system of national governance, through a proposed Tertiary Education Commission.

3.1.1 Dynamic and responsive institutions

As explored in previous chapters, more learners will need to participate in the tertiary education system over the course of their lives to obtain the blend of skills, capabilities and knowledge that will help them prosper and contribute to work and life. At the same time, institutions need to support an increasingly diverse cohort of learners and take a leading role solving our nation's biggest challenges. No single institution or single part of our tertiary system can meet all these objectives on its own. Only the collective action and contributions of the higher education and VET sectors can ensure we meet these.

3.1.1.1 The current structure of the higher education sector

Australia's higher education system has grown over the last 30 years to reflect a range of institutional types and delivery arrangements. However, the sector's basic structure and direction has not significantly changed since the 1980's Dawkins reforms. The system has been left to grow

without a clear plan from governments on what the system should look like, or whether this growth is a good thing. The Review is considering how to establish a stronger process of planning for growth, including to avoid 'university deserts', particularly where there may be high population growth but poor access to institutions.

Our universities are large and comprehensive, with some approaching student numbers that will see them among the biggest in the world. While specific missions and contexts differ, many universities pursue teaching and research activity in relatively similar fields. This ensures students can access a range of courses regardless of the university they choose and is a strength of the sector, but also entrenches a degree of homogeneity that may drive undesired outcomes.

> "[T]here is less diversity in Australia than other OECD countries in terms of specialisation e.g. undergraduate-focussed universities, graduate universities, research-intensive universities, or functionally specialised, as well as no systemic frameworks that exist." – University of Western Australia

Diversity in non-university institutions is higher, with clear examples of specialised focus and unique delivery, such as music, performing arts and theology. But these institutions operate on a different basis from public universities, with limited or no access to Commonwealth funding and in compliance with additional regulation and financial requirements. While non-university providers may benefit from specialised funding opportunities or pursue very distinct missions related to specific community needs, they may also lack the scale genuinely to compete against larger universities or to access some of the opportunities arising from demographic and economic change, despite many delivering high-quality outcomes for students and industry.

3.1.1.2 How strong are our current providers?

The health and performance of the higher education sector is mixed. The COVID-19 pandemic forced institutions to adapt models of curriculum, pedagogies and education management, and to reconsider the use of online learning platforms to provide engaging learning experience during lockdown. Digital disruption continues, along with increasing expectations of students and industry of the quality and cost of the education learners are receiving.

While overall performance is strong and many universities show excellent quality and leadership, this is highly variable at an individual institutional level. Business and organisational models for some providers may not be sustainable over the next decade, requiring careful consideration about how to adapt and renew them.

The current funding system is also inhibiting universities from specialising, notably in higher-cost fields of education and research. While universities are inclined to pursue their mission, the uniformity of their core business models and funding pulls them back to the norm. This is exacerbated by the JRG changes, which reduced overall and per student place resourcing, and by the effects of funding caps and lower student contributions in some fields. The issues created by cross-subsidisation can drive complexity, opaqueness and perverse outcomes, which further inhibit the overall diversity of the system and its responsiveness to changing need. These funding issues are discussed further in Section 3.3.

3.1.1.3 Planning for a new system, and the possibility of new institutions

All institutions will need to evolve over the coming decades; some through rapid innovation and growth, while others may do so at a more measured pace, and some may even reduce in scale to some extent. This might require more specialist institutions, or it might see the emergence of clusters of universities working as systems, as organisations respond to changing needs. Over time this could lead to a more differentiated system, with changes to funding, regulation, governance and planning that can support a more dynamic and relevant mix of institutional provision.

> "The Accord must embrace the importance of a differentiated system that allows each university to meet the learning and teaching and research needs of their local community." – University of Notre Dame

The move to a future system should be carefully managed, with considered planning on where and how institutions are growing, changing and emerging. Governments should have a considered view on how the overall system is operating and whether the location, design and operation are meeting community needs. As a first step this could involve more targeted discussions of the missions of institutions, and considering whether the funding and regulatory frameworks are enabling the missions. It may also involve working closely with the states and territories to identify areas where new public institutions should be created or looking to new models (such as the RUCs and outer metropolitan hubs proposed in Section 2.3).

The current exploration of mergers of universities in both South Australia and Western Australia are interesting opportunities, partly driven by objectives of state governments to capitalise on scale to deliver better outcomes for their jurisdictions. While the outcomes of these processes are still to be finalised, it has reignited important debate that could lead to stronger state and national system outcomes.

3.1.1.4 New provider categories

The 2019 changes to the Provider Category Standards (PCS) established clearer categorisation of institutions, creating a new University College category to reflect the specialist and high-quality contributions of these institutions, as well as new research requirements for universities. Research rules require that a university, within ten years of entering the 'Australian University' category, must undertake research at or above benchmark standards in at least three (or 50%) of the fields of education in which it delivers courses.[144]

The Review considers that the requirements of the PCS may be preventing institutions from developing stronger identities and diversity. The current research requirements of the University category will be challenging for some to continue to maintain. Additionally, categories may not reflect the aspiration of some universities which may want to build an identity and advantage as teaching-intensive, research-intensive, or education for the professions-focused. As Australia contemplates an evolving tertiary education system, serving a growing number of people, there is opportunity to consider these definitions and current activity requirements to reflect a wider mix of institutions.

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[144] *Higher Education Standards Framework (Threshold Standards) 2021*, Part B1.3.16.

3.1.1.5 Collaborative delivery arrangements

Innovation can also come through collaboration and partnering between institutions, across sectors and with industry to provide locally relevant pathways that equip students to succeed in their own communities and in specific industry ecosystems. Various examples of new delivery models exist across the tertiary education system, with the opportunity for experimentation and collaboration to create success at scale.

These include universities jointly offering subjects which would not be viable based on student numbers at individual institutions, for example in languages other than English or allied health fields. They also include dual sector universities, other universities and TAFE institutes working together with industry, unions and other service providers to offer more integrated qualifications and pathways to meet fast-growing areas of skills demand. Section 2.4 discusses how innovative models of delivery could be supported and shared across the sector assisted by a new office for quality teaching.

Universities are already effective research collaborators especially when brought together through government programs such as the ARC Centres of Excellence which foster collaboration for high research impact. Building on this collaborative success should be considered.

3.1.1.6 A new National Regional University

The Review is considering new approaches to ensure the sustainable, effective delivery of higher education in regional, rural and remote Australia. Many challenges regarding the ongoing sustainability of regional universities have been raised with the Review by those universities, including operating in thin markets, ensuring a range of comprehensive offerings and the important role they play in their communities.

The concept of a single national regional university was explored in the Bradley Review, including recommendations for Government to undertake a feasibility study to assess the merits of such an institution. If implemented, the regional university considered by the Bradley review would have been tasked with delivering accessible, high-quality education to the regions and be a hub for best practice provision of higher education for other institutions teaching in the regions.[145] To date, no study has been conducted to investigate the appropriateness of a single university model for regional areas. The Review considers there is merit taking this work forward, with the potential to establish a new National Regional University (NRU) which could have regional universities opt in to become part of the NRU.

The Review is considering the merits of a establishing a National Regional University as a second national university for Australia.

The Review is considering the views of stakeholders who believe that establishing a NRU as a second national university, with a distinctive institutional and educational model shaped by Australian geography, would be an important opportunity to create a planned approach to our national-regional education footprint. It could support high-quality regional education, offer a growing range of opportunities to students from regional communities, and deliver excellence in regional research. It would have a strong regional voice and through its campuses would retain its important local community identity.

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[145] Bradley et al., *Review of Higher Education: Final Report*.

The NRU would provide substantial and lasting support for underrepresented cohorts and deliver for skills needs in the regions. In addition, an NRU may also represent an opportunity to find academic synergies and operational efficiencies across existing institutions and to better attract international students, combining education and research excellence associated with Australian higher education with a uniquely Australian regional experience.

The concept and design of a new national university would need to be worked through in close consultation with the Commonwealth, states and territories, regional universities, local communities and many other stakeholders. International models for such a system exist. One is the University of California system which operates as a state-wide institution with central governance accountable to the state government, but includes ten campuses each with their own local identity and leadership with a degree of autonomy (e.g., UC Berkeley, UC Los Angeles, UC Davis).

The Review has also heard from some stakeholders that creating an NRU may not be the best option to advance the provision of higher education in regional areas. Stakeholders have noted the deep connections forged between the existing regional universities and their local communities, and that students may prefer a choice of different universities within the regional footprint.

3.1.2 An aligned tertiary system

There is an opportunity to explore bringing together the tertiary education system as a coherent whole, rather than thinking of higher education and VET as two separate and siloed areas, and for new and evolving institutions to be shaped by the strongest features of both the higher education and VET sectors. These systems both provide essential skills and knowledge in their own right and the Review is exploring whether these systems should be equally valued in funding, regulatory and policy settings. In doing so, there are good examples of the benefits that are realised when institutions collaborate and can operate in both systems.

While efforts over the last decade have sought to drive new partnerships between sectors and improve the overall status and perceptions of VET, various cross-sectoral barriers remain, and there is still a lack of shared purpose and direction. Sections 2.2 and 2.3 discuss pathways between higher education and VET and the role they could play in meeting Australia's diverse skills needs, improving access and delivering greater opportunity.

3.1.2.1 A collaborative approach to tertiary education

An aligned tertiary system can only be achieved through collaborative reform across governments, regulators, employer groups, unions, student groups and education institutions. Reform could focus on how to meet future need, and must address the separate and inconsistent policy, regulatory and financial arrangements that drive cultural differences between sectors and restrict institutional collaboration and innovation.

> "The concept of lifelong learning means that pathways are not always linear…
> innovation is needed so that students can select from both sectors
> simultaneously. Currently, funding, policy and regulation do not make this easy.
> The discussion on connecting the VET and higher education sectors needs to go
> beyond pathways and look at the creation of both new qualifications. Incentives
> for universities to partner with TAFEs on dual credentials should be encouraged."
> – TAFE Directors Australia

Achieving this ambition will likely require greater systemic investment and new whole-of-system governance. There are good steps in the right direction already, including work across the Commonwealth and states and territories to establish a new National Skills Agreement.

In facilitating a high performing tertiary education sector, the two sectors need to operate on equal footing as part of a whole of tertiary system. The Review recognises there are significant structural settings that would need to be adjusted to achieve this. Current frameworks that govern skills and the arrangements for funding and pricing can create the impression that vocational education is the 'lesser sibling' to higher education, despite the fact that it contributes to skills that are equally important for society.

Initially, a more aligned system could involve focussing policy efforts on occupations that span both higher education and VET qualifications. Similarly, barriers to recognition between the sectors and a lack of information to help students make good decisions could be addressed through expanding current digital platforms to include both higher education and VET, including building a centralised tertiary digital solution, such as a national skills passport, to support learners to build, maintain and share their credentials.

There is an opportunity to deepen and leverage the capability of JSA and the Jobs and Skills Councils to support a more systematic approach to industry engagement across the tertiary education sector, and to identify areas of critical skills need to support innovative delivery through dual or cross sector models.

> "It is a truism that lifelong learning is essential for the people of an innovative country. Lifelong learning does not necessarily comprise a multi-year plan of continuous and linked courses. Programs of short courses and micro-credentialling, whether through universities or TAFE, can be extremely valuable."
> – Graduate Women NSW

3.1.2.2 The Australian Qualifications Framework

As highlighted in Section 2.2, AQF reform could be a critical element of a new tertiary education system. The 2019 AQF Review, chaired by the late Professor Peter Noonan, aimed to give greater recognition to skills alongside knowledge, establish clear and rigorous standards for qualification levels and enable the higher education and VET sectors to design fit-for-purpose qualifications. These reforms, particularly those to improve the recognition of skills in the AQF architecture and taxonomy, would ensure that both higher education and VET are equally recognised and valued, and that providers are supported in creating innovative and integrated qualifications.

Work is ongoing to support the consideration of recommendations, including engaging with stakeholders to establish agreement on more complex recommendations, that could impact international or industrial settings.

3.1.2.3 Aligning funding settings across the tertiary system

Funding settings across higher education and VET do not currently enable fair and consistent pricing. There are funding inconsistencies across sectors and jurisdictions that create unequal opportunities and continue to reduce the status of VET. In many cases, VET students have to meet the full costs of their education and training upfront, unless governments subsidise delivery, for instance through the Fee-Free TAFE and vocational education places. The Productivity Commission has suggested that

funding disparities push students to choose a sector less suited to them and reinforce perceptions of VET as a lesser educational pathway.[146]

3.1.3 A modern approach to regulation

Improving the autonomy, flexibility and innovation of institutions can only be achieved by a modern regulatory architecture focused on excellence, quality and outcomes. This architecture needs to align across sectors better to reduce unnecessary duplication and burden and to ensure that performance issues do not slip through the various boundaries of responsibility. Currently, providers across different parts of the tertiary education sector face multiple and differing regulatory requirements and obligations. Dual-sector providers in particular are subject to both TEQSA and the Australian Skills Quality Authority (ASQA) regulations (or state-based regulations if based in Western Australia and Victoria).

> "The fragmentation, complexity and sluggishness of the wider systems of accreditation, funding and regulation currently stand in the way of developing more innovative, relevant and cost-effective tertiary education activities" – Australia's Dual Sector Universities

3.1.3.1 The Tertiary Education Quality and Standards Agency

The establishment of TEQSA has been a significant achievement in Australian higher education. It, along with ASQA, plays a critical quality assurance role to maintain the quality and international standing of Australia's tertiary education system.

The Review has heard concerns that TEQSA's current compliance-based approach could better reflect its legislative principles of regulation of necessity, risk and proportionality. Current requirements around registration and accreditation processes risk slowing responsiveness of institutions, particularly non-self-accrediting institutions which are subjected to increased regulation.

The Review is aware TEQSA is currently moving towards a prudential regulatory approach, to tier its assurance and reporting requirements according to provider risk. This will better differentiate the regulatory intensity required for different providers and in some cases reduce the regulatory burden. It may also lead to a shift from a focus on meeting threshold standards to exceeding standards for excellence.

3.1.3.2 Towards a new regulatory environment

Institutions face multiple and differing regulatory requirements, including from TEQSA, ASQA, professional accreditation bodies and government agencies. The intersection between TEQSA and AQSA is critical, and many submissions called for greater convergence between agencies.

> "While the delivery and assessment of qualifications differ between higher education and skills training, there remain common governance and administrative obligations that both agencies seek to regulate. The result is a duplication of regulatory processes and a red tape burden for dual sector providers." – Independent Tertiary Education Council of Australia

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[146] Productivity Commission, *5-Year Productivity Inquiry: Advancing Prosperity. Recommendations and Reform Directives*.

There are multiple areas of duplication in regulatory and reporting requirements, including financial management, student information and grievance complaints.[147] This administrative burden may have contributed to the decline in dual sector providers across the last 10 years.

Under a new vision of the tertiary education system, the roles of TEQSA and ASQA as parallel regulators could be reassessed. Shorter term actions to alleviate this burden may include aligning reporting in areas such as corporate governance and accountability, facilities and infrastructure, student complaints, staffing and student information. More fundamental changes to regulatory structures could be considered in the longer term.

There are a range of considerations to this, however. The Review notes opportunities to trial streamlined arrangements for dual sector higher education providers and selected TAFEs which meet minimum thresholds, in their VET operations. This could mean dual sector providers need only be registered with only one regulatory agency, or for a system of automatic reciprocal registration. It could also mean moving towards self-accreditation for VET curriculum, possibly beginning with a trial of dual-sector universities which already self-accredit their course content for higher education. Substantive reforms are likely to require changes to the threshold standards and legislation.

"Having to deal with two separate regulators with separate compliance requirements, rules, processes and auditing approaches means the goal of a more integrated system is unnecessarily complicated and impeded." – Central Queensland University

3.1.4 National leadership for a new system

Australia needs new leadership for the national tertiary education system as an interconnected whole. The Review is considering the benefits of the establishment of a Tertiary Education Commission, charged with overseeing the development of a fit-for-purpose tertiary system and operating with a degree of independence from Government. A national body purposefully convened for sector oversight would possess the expertise and authority to drive the strategic direction of tertiary education, guiding institutions as they navigate the complex and evolving education landscape.

Similar models have successfully shaped periods of change in the sector in the past, including the Universities Commission which was central to delivering the post war reconstruction agenda in the 1940s and 1950s, and its successor body, the Commonwealth Tertiary Education Commission of the 1970s and 1980s.[148]

> **Case study: The Former Commonwealth Tertiary Education Commission (CTEC)**
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> Following a period of strong sector growth in the late 1960s and early 1970s, in 1977 the Australian Universities Commission and the Australian Commission on Advanced Education were replaced with the Tertiary Education Commission, later becoming the CTEC. CTEC was internal to

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147 Independent Tertiary Education Commission Australia (ITECA) *Submission to the Australian Universities Accord Discussion Paper*, 2023; TAFE Directors Australia (TDA), *Submission to the Australian Universities Accord Discussion Paper*, 2023.

148 K Jackson, *Higher Education Funding Policy* [PDF], Parliament of Australia website, 2003, accessed 8 June 2023.

government, yet partly independent of the minister of the day. It both provided advice to the minister and undertook some administrative functions directly.

The objects of CTEC were to promote:
- the balanced and coordinated development of tertiary education in Australia
- the diversifying of opportunities for tertiary education
- closer cooperation and association between the various kinds of tertiary institution.

TAFEs were included in the merged body allowing one organisation to coordinate funding for all post school education, prevent duplication and improve consultation with the states. CTEC aimed to promote the balanced development of the whole sector and better consider the interactions between the sub-sectors.[149]

3.1.4.1 What would a new body achieve?

The core function of the Tertiary Education Commission would be to promote long-term strategic thinking across the tertiary education sector. This would include advising Government on policy reform and implementation, coordinating and negotiating activities with institutions in line with national priorities, and tracking domestic and international trends.

> "The role of the Commission, in general terms, would be to provide long term, coordinated, and expert advice to government on higher education policy matters. This would ensure that the tertiary education sector is established and maintained as a seamless sector, responsive to the changing needs of the Australian community and economy and with a continuity of approach across electoral cycles." – The Group of Eight

Another key role for the Tertiary Education Commission could be to support the Accord. The ongoing and multidecadal nature of the Accord is likely to require a body with a mandate of stability and longevity, and the capacity to undertake expert analysis on the changing needs of the sector and society. This includes independently monitoring progress against mutually agreed upon deliverables such as attainment targets and progress towards a more equitable system.

By drawing together higher education policy experts and sectoral representatives, the Tertiary Education Commission could establish buy-in to the Accord's reforms among the many different types of institutions and diverse stakeholders, leveraging the collective resources of the sector to drive better outcomes. The Tertiary Education Commission would also need to work closely with, among others, state education and training departments, JSA, TEQSA, ASQA, professional accreditation and industry bodies, and various funding bodies and government departments.

Additional responsibilities of the Tertiary Education Commission could include determining funding allocations, including through the negotiation of mission-based compacts with universities. In doing so, the Tertiary Education Commission would be uniquely placed to consider the role which each institution can play within the national system.

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[149] HR Hudson, *Review of the Structure of the Commonwealth Tertiary Education Commission and Arrangements for Coordination and Consultation with States and Institutions*, Australian Government Publishing Service, 1985, accessed 8 June 2023.

"[The Tertiary Education Commission] should facilitate better coordination and consistency across the system at the same time as ensuring universities and other higher education providers maintain autonomy over their operations, as this underpins their capacity to deliver quality teaching and research." – Associate Professor Gwilym Croucher and Professor Vin Massaro, Melbourne Centre for the Study of Higher Education

There are regulatory, financial, structural and historic reasons for the shape of Australia's higher education sector. Greater diversity and innovation in institutions is unlikely to emerge without proactive government intervention. The Tertiary Education Commission could provide the strategic leadership and coordination needed to develop a more dynamic and responsive system.

A new governing body could fulfil a number of critical functions, many which are not part of the current system, in particular focusing on the operation of the system, assessing its ability to meet new targets and priorities and planning for how the structure of the sector should be evolving and changing (including where new institutions may be needed).

Under the aegis of the Tertiary Education Commission a new First Nations Higher Education Council could give voice to the needs, aspirations and know-how of community and lead a self-determined approach to funding and policy settings in relation to First Nations students, employment, teaching, research and engagement. This approach, mirrored within individual universities, would allow funding and policy settings relating to First Nations students and research to be led by First Nations staff and communities, as is the case in some institutions today, and see that each institution engages with First Nations communities in their local area.

This Council would oversee a First Nations-led review of access, participation and outcomes for First Nations students and Frist Nations staff, research, teaching, use of First Nations knowledges, and First Nations governance and leadership within universities.

Leadership structures could include specific roles such as an equity commissioner and a regional commissioner to share best practice and focus institutional efforts. Consideration of the relationship with the ARC would also be needed. The Review notes a Tertiary Education Commission would require sufficient resources to deliver on its responsibilities and operate effectively in conjunction with government and responsible ministers.

Considerations for change

To create an adaptable and responsive higher education system that is increasingly aligned and connected in a broader tertiary system, and which meets the evolving needs of students, industry and the nation, the Review will continue to give consideration to the following policy areas:

a) the benefits of establishing a new national body, a Tertiary Education Commission, working with the Minister and Department, which could:
    i. be based on the principles of independence and expert decision-making to provide oversight, coordination and expert advice to the higher education sector
    ii. lead relevant analysis, including with other agencies, to provide advice to government on policy and funding settings to enhance student, teaching and research outcomes
    iii. function as a pricing authority for Commonwealth higher education funding for the purposes of a potential student-centred, needs-based funding model
    iv. negotiate new mission-based compacts with institutions to deliver against local, regional and national priorities and needs

  v. over time, and in partnership with the states and territories, be expanded from higher education to encompass the whole tertiary education system to pursue greater opportunities for alignment and collaboration between the higher education and VET sectors.

b) how to facilitate and encourage change and evolution in the type, diversity, size and number of tertiary education institutions, including:
  iv. the merits of a new National Regional University as Australia's second national university
  v. encouraging and incentivising new models of delivery and collaboration to increase tertiary education and research provision, particularly in regional and under-serviced areas
  vi. facilitating the emergence of institutions specialising to a greater or lesser extent in teaching or research

c) ensuring tertiary education regulation, including the role of TEQSA, enables innovation in the tertiary education system

d) continually working towards an aligned tertiary education system, including encouraging parity of esteem between the VET and higher education sectors.

Potential proposals the Review may also consider for the Final Report, and that reflect the broad themes outlined above, include:

A Tertiary Education Commission:

a) would be responsible for planning and tracking progress towards increased participation and meeting skills needs
b) would provide ongoing advice on changes and trends affecting the future of the higher education system
c) could consider opportunities and the desirability of future structural adjustment, including the size, location and need for new institutions
d) could protect and promote student voices, in light of the new, student-focussed vision for the sector, including the role for a new Equity Commissioner
e) create an arms-length research centre of excellence in higher education and research, to study and research the sector itself in the international context. The research centre should be awarded in response to a competitive call
f) deliver on the promise of the Accord, monitor progress against the mutually agreed deliverables and work with the Minister and Department of Education to broker the evolving agreement as part of an ongoing Accord process.

Structural change across the tertiary sector:

a) supporting recommendations following feasibility investigations of provider mergers in South Australia and Western Australia
b) exploring revisions to the Provider Category Standards, to remove the requirement that all universities will carry out research. This should offer the system more flexibility and encourage institutions to diversify, innovate and specialise
c) encouraging significant administrative efficiencies through collaborative frameworks
d) incentivising collaboration between institutions to reinforce research collaboration and establish new and innovative service offerings and education models for students to study across multiple institutions.

Higher education and VET moving towards an aligned tertiary education system:

a) articulating an agreed national vision for the future of Australia's tertiary education system and committing to collaborative reform with institutions, unions and industry groups, to achieve parity of esteem for VET, and consistency in funding and regulatory architecture
b) exploring new Commonwealth higher education financing arrangements including through consistent pricing, loan arrangements, credentialing and shared VET/HE provision
c) piloting self-accrediting for dual sector higher education providers, and selected TAFEs who meet minimum thresholds, in their VET operations.

Ensuring regulatory frameworks can meet future objectives and challenges:

a) reviewing the TEQSA Act to ensure the agency is fit for purpose in light of other changes in this Review
b) improving coordination of regulatory functions between TEQSA and ASQA including potential sharing or referral of powers between regulators.

3.2: Institutional and collaborative governance

"The make-up of university boards and councils inform organisational cultures and there needs to be improvements in terms of member compositions and experiences." – National Tertiary Education Union

Issues

Higher education institutions have grown into increasingly complex organisations, managing significant assets and large numbers of staff and students. Effective governance is essential for promoting positive institutional cultures and ensuring that each institution has the ongoing capability to deliver on its strategic vision, but the Review has heard that institutions may not be adequately engaging with some very serious issues within their remit.

Despite the best efforts of many institutions to address them, systemic issues persist across the higher education sector, including widespread underpayment of staff, suggesting governance arrangements could be improved. Sexual assault and harassment on campus is affecting the wellbeing of students and staff, and their ability to succeed.

This section outlines considerations to help strengthen institutional governance structures and for universities to be exemplary employers. It explores the benefits of a potential student charter, co-designed with students, to ensure a national commitment to student safety, wellbeing and empowerment.

3.2.1 Strengthening institutional governance structures

Each Australian university has a governing body, generally called a Council, Board or Senate, which varies in size (approximately 10 to 25 members). The role of this body is to ensure effective governance and oversight of management. The composition and functioning of these bodies are set out in universities' enabling legislation.

State and territory governments and the Commonwealth have a joint obligation to ensure good governance at universities. As part of their obligations under the Higher Education Standards Framework (Threshold Standards) 2021, institutions are required to have a governing body that is "accountable for all of the higher education providers' operations." University Councils also have relevant governance obligations under other legislative arrangements.[150] Issues of wage theft, casualisation and student safety illustrate that these accountability requirements do not always translate into effective oversight and support for staff and students, and that this is a systemic challenge.

While the Australian Government has legislative responsibility for the regulation and quality of the sector, universities are constituted by individual enabling Acts in the relevant jurisdiction. This means that most University Councils are appointed under state or territory legislation, except for the

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[150] University Chancellors Council (UCC), *University Governance in Australia,* UCC website, n.d., accessed 13 June 2023.

Australian National University. States and territories have a significant role to play in ensuring University Councils are appointed with the right mix of skills.

Over the last two decades there has been a particular emphasis on appointing people with business expertise to councils. Business expertise must be balanced by council members who deeply understand the functions of universities, including learning and teaching, research and management. Council members should also reflect the communities that universities serve, including representation from First Nations people. The voice of First Nations people should be present at every level of institutions, in the student body, staff, senior leadership and on governing bodies.

> "We believe it is time to move from these inclusion approaches to self-determination, and educational sovereignty through Indigenous leadership and governance. … Now is the time to develop mechanisms whereby Indigenous peoples have a direct role in decision making and governance. The Voice provides a potential foundation to move beyond consultation frameworks to embrace Indigenous Governance across universities, industry, and government." –
> Western Sydney University Indigenous Professoriate

Over the last 30 years, university Acts have been amended by the relevant governments as they seek to decrease size of councils and strengthen the skills mix of members.[151] Many of these changes resulted in smaller councils with more business expertise on them. A further development was the Universities Australia Voluntary Code of Best Practice for the Governance of Australian Public Universities that came into effect in 2010. It could be time for this Code to be revised and strengthened.

While these changes have been welcomed, there are concerning issues of staff and student wellbeing, including student safety on campus and staff underpayment, that need urgent attention from university governing bodies and from governments. The Review will continue to consider what changes may be needed to ensure student and staff safety. However, there is a clear need for immediate action from governments and from the sector.

Immediate action:

Through National Cabinet, immediately engage with state and territory governments and universities to improve university governance, particularly focusing on:
- universities being good employers
- student and staff safety
- membership of governing bodies, including ensuring additional involvement of people with expertise in the business of universities.

3.2.2 Universities as good employers

The higher education sector requires a highly-skilled workforce and to attract the best local and global talent. Staff deserve a strong institutional culture and governance structures which engage them in decision-making processes, and which prioritise their wellbeing.

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[151] E Chan, *Legislative Changes Affecting the Governance of Australian Universities* [PDF], UCC, 2018, accessed 20 June 2023.

Some submissions to the Review raised concerns around psychosocial stress in higher education workplaces. It is critical that workplace conditions, including employment security, workload, remuneration, appropriate funding for core activities, and engagement with staff, support psychosocial and physical safety.

Widely reported occurrences of staff underpayment by universities are damaging public confidence in the sector. The Fair Work Ombudsman (FWO) named 11 universities under investigation in August 2022[152] and has identified the sector as a priority area for compliance and enforcement in 2022-23.[153]

The FWO highlighted "trends of poor governance and management oversight, and a lack of centralised human resources functions and investment in payroll and time-recording systems."[154] Large-scale wage underpayment is a clear failure of institutional governance and management, for which councils are ultimately accountable. Complex industrial agreements and government policy and funding arrangements have contributed to the issue,[155] however, institutions have an obligation to ensure appropriate governance settings and frameworks to avoid these circumstances emerging. This includes implementing updates and changes to workforce system architecture – such as payroll and time recording systems. Staff underpayment must be addressed urgently. The Accord will provide an opportunity for staff, governments and institutions to work together to address this issue.

3.2.2.1 Workplace arrangements need to value staff

The Review has heard that current workforce arrangements are affecting the ability of staff to deliver high quality teaching and research. These arrangements should be examined to consider whether staff workloads and the use of fixed term and casual arrangements are appropriate. There needs to be appropriate investment in the teaching and research workforce pipeline to attract and retain talented staff into higher education.

Rigid workload arrangements that mandate a set ratio between teaching, research, scholarship and management workloads can impede the ability for those who excel in one field to gain promotion and affect the ability of institutions to attract and retain these people. In addition, casual staffing arrangements are arguably being overly relied upon to deliver teaching. As many more students come into the system, many more teachers will be needed to help them learn.

The Review is considering what more can be done to provide professional development opportunities to ensure academics are adequately prepared and supported in all their roles — teaching, research, community service, and management.

> "...rolling short term or continued casual contracts do not provide the required stability and investment in careers that are needed to ensure a highly capable and engaged higher education workforce." – Association for Tertiary Education Management

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[152] T Dodd, 'Fair Work Ombudsman investigating over a dozen universities', *The Australian,* 11 August 2022, accessed 9 June 2023.

[153] FWO, *FWO announces 2022-23 priorities* [media release]*,* FWO, 22 June 2022, accessed 9 June 2023.

[154] FWO, *FWO announces 2022-23 priorities*.

[155] M Gardner, 'Workplace relations and insecure employment in Australian universities', *Lens*, 7 June 2023, accessed 26 June 2023.

A significant part of this challenge is that the teaching workforce is highly casualised. In 2020, 21% of all academic roles were engaged on a casual basis (full time equivalent [FTE] basis). Casualisation is concentrated among teaching-only staff, with 69% of these roles engaged on a casual basis. Casual academic staff are also more likely to be at the beginning of their career: in 2020, over 69% of academic casual FTE staff were engaged at below lecturer Level A classification (compared to around 16% of full time and fractional full time FTE).[156]

The use of casual employment arrangements is not in itself a bad thing. There are times when short-term casual arrangements suit all parties well, for example notable professionals giving tutorials in their disciplines. However, the significant use of casual staff in junior teaching roles is of concern, especially as some staff report being repeatedly employed on casual contracts. This can have long-term effects on career progression because casual staff engaged to teach generally are not paid to undertake and publish research early in their careers.

3.2.3 Institutions have duty of care to students

As all higher education institutions acknowledge, students are at the centre of the mission of higher education. Institutions have an obligation to students to foster belonging, social inclusion and cohesion within the institution and broader community. However, the Review has heard significant issues of student safety on campus, mental health and a lack of culturally safe spaces continue to corrode relationships between students and their institutions.

The Review is exploring ways to evolve institutional cultures so they can reflect and welcome an increasingly diverse student body, including First Nations students. This would mean that all institutions must not only be inclusive, but also culturally safe.

> "Indigenous students have much better outcomes when they feel well supported in their learning journey while being in an environment that understands the obligations of culture, family and community." – University of Melbourne Indigenous Higher Education

Student bodies make a significant contribution to the culture of institutions. Student unions, student clubs, student-led events and other programs, help to foster a vibrant campus life, with benefits for social inclusion and students' sense of belonging. Student unions also provide services to students including advocacy, legal, financial and wellbeing support.

A major source of funding for student unions is the Student Services and Amenities Fee (SSAF). Generally, the distribution of the SSAF to student unions and organisation is at the discretion of universities, which consult with students in allocating funds. Under the Student Services, Amenities, Representation and Advocacy Guidelines, universities are required to have a formal process of consultation with democratically elected student representatives and representatives from major student organisations at the university regarding the specific uses of the SSAF.

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[156] Department of Education, *'Staff Pivot Table' Selected Higher Education Statistics – 2021 Staff Data* [data set], education.gov.au, 2022, accessed 13 June 2023.

Student groups have written to the Review that "these negotiations create an unequal power dynamic that limits student organisations' autonomy in holding universities accountable" as it "limits the advocacy of these organisations in fear of financial retaliation".[157]

The Review is examining what more could be done to support how the SSAF is directed, including to students.

3.2.3.1 Supporting mental health and wellbeing

The COVID-19 pandemic had a significant impact on the social and cultural life of institutions. Social distancing restrictions led to a shift towards online learning, resulting in students having fewer opportunities to build connections with their peers and staff.[158] The 2020 QILT Student Experience Survey found that students "reported their sense of belonging was lower with a decline of 11 percentage points compared with 2019".[159] First-year students were particularly affected, experiencing "lower university belonging and higher loneliness during the pandemic [that] was detrimental to their mental health."[160]

The Review has heard significant concerns regarding declining student mental health, and the adverse impact this can have on their higher education experience. This not only directly reduces wellbeing but can increase the likelihood of a student exiting their course early.

> "One of the biggest challenges to sustainable participation is to address the very high burden of mental ill health especially amongst young people in universities. Indeed, university students are considered a very high-risk population for psychological distress and mental disorders, with both prevalence and severity of poor mental health rising with student populations worldwide." – University of Tasmania

3.2.3.2 Addressing harm

Students must feel safe on campus. The 2021 National Student Safety Survey found that since starting university, 16.1% of participating students had been sexually harassed, and 4.5% had been sexually assaulted.[161] The Review heard that existing approaches to reduce the incidence of sexual harassment and sexual assault on university campuses are inadequate, with some stakeholders advocating for increased transparency, monitoring and accountability mechanisms.

The impacts of sexual violence on a student's educational experience and outcomes can be devastating. Students who have been sexually assaulted experience elevated rates of post-traumatic

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[157] The National Union of Students (NUS), *Submission to the Australian Universities Accord Discussion Paper*, 2023; Council of Australian Postgraduate Associations (CAPA), *Submission to the Australian Universities Accord Terms of Reference*, 2022.
[158] GA Dingle, R Han and M Carlyle, 'Loneliness, Belonging, and Mental Health in Australian University Students Pre- and Post-COVID-19', *Behaviour Change,* 2022, *39*(3):146-156, doi:10.1017/bec.2022.6.
[159] Quality Indicators for Teaching and Learning (QILT), *2020 Student Experience Survey National Report*, QILT, 2021, accessed 9 June 2023.
[160] Dingle et al., 'Loneliness, Belonging, and Mental Health in Australian University Students Pre- and Post-COVID-19'.
[161] W Heywood, P Myers, A Powell, G Meikle and D Nguyen, *National Student Safety Survey: Report on the prevalence of sexual harassment and sexual assault among university students in 2021*, The Social Research Centre, 2022, accessed 13 June 2023.

stress disorder and clinically significant depression and anxiety, resulting in higher rates of nonattendance, delayed academic progression and higher academic failure rates.[162]

> "Stakeholders interviewed for my doctoral research acknowledged that the Threshold Standards were a high-level regulatory framework which did not mention sexual assault or sexual harassment but had been employed to address a very specific and specialised area of concern; that TEQSA does not possess expertise in sexual violence; and that the agency has been inadequately resourced to lead this work. Nonetheless they were frustrated and disappointed by what they perceived as ineffective enforcement of the available Standards through these regulatory mechanisms." – Allison Henry, PhD candidate, Australian Human Rights Institute, Faculty of Law & Justice, UNSW Sydney

3.2.3.3 The international student experience

International students can face a range of significant pressures as they adjust to living and studying in Australia. This can include social isolation and financial hardship, noting international students incur additional costs compared to domestic students, and are more vulnerable to workplace exploitation by unscrupulous employers.

The Review is examining the role of universities in providing information to international students, so they are informed of their rights and protections under Australian law, and whether this requires significant enhancement. For example, the Assurance Protocol is an agreement between the Department of Home Affairs and FWO which provides support to student visa holders who approach the FWO for help. This provides a safety mechanism for students or employees to raise issues of workplace exploitation without the risk of it leading to their visa being cancelled, even if the issues have caused a breach of their visa conditions.[163]

> "International students are exposed to the threat of their visa being cancelled, because, in part, they have had limits on the hours they are allowed to work. Some employers take advantage of this, by locking those students into working for below minimum pay or working additional hours without pay." – Sydney University Postgraduate Representative Association

International students are also sometimes subject to discrimination and unwelcoming attitudes in the Australian community. Together, governments and institutions must actively combat instances of discrimination and promote the positive contributions international education makes to Australia.

Figure 3.2-1: Quality of entire educational experience by domestic and international students, 2012 to 2022.

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[162] TD Molstad, JM Weinhardt and R Jones, 'Sexual assault as a contributor to academic outcomes in university: A systematic review' *Trauma, Violence, & Abuse*, 2023, (24)1:218-230, doi:10.1177/15248380211030247.
[163] FWO, *Visa protections – the Assurance Protocol*, FWO website, n.d., accessed 13 June 2023.
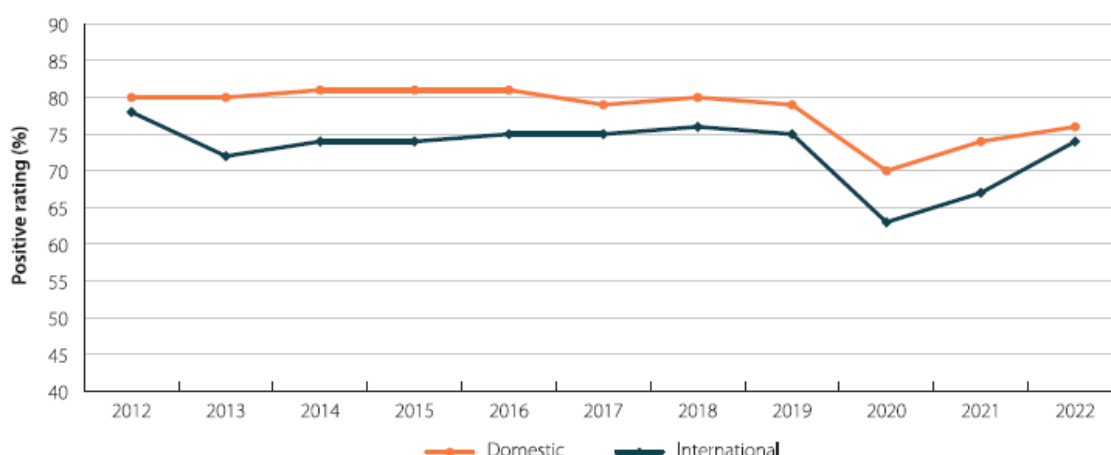
Stakeholders also raised concerns that international students face cost and cultural barriers to accessing mental health support.

> "International students often have to pay upwards of $200 for a single session with a psychologist, psychiatrist or counsellor. Many international students who contact SUPRA are struggling with mental health difficulties or are in crisis. And many of them are unable to afford appropriate treatment or care due to the exorbitant costs of mental health support. While there are some low cost or sliding scale mental health services, there are even fewer that are multilingual, or who provide ongoing medium or long term support; resulting in students are having to choose between paying for mental health support and food, rent or other essentials." – Sydney University Postgraduate Representative Association

Case study: International Student Legal Service NSW

There are examples of services that are helping to support positive international student experience. The Redfern Legal Centre provides free and confidential legal advice to international students studying in NSW through the *International Student Legal Service NSW.*

Through this service, international students are able to speak to a solicitor for advice on a variety of issues including housing problems, employment, sexual assault and sexual harassment, fines, debts, car accidents, discrimination, and complaints about colleges or universities.

The service is funded by *Study NSW*, which was established by the NSW Government to support international students in NSW.[164]

3.2.4 Enhancing and empowering the student voice

In meeting with the Review, student groups highlighted a power imbalance between students and influential stakeholders such as universities, peak bodies, government, and industry.

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[164] Redfern Legal Centre, *International Student Legal Service NSW*, Redfern Legal Centre website, n.d., accessed 13 June 2023.

> "Students are the primary stakeholders in education and students are the experts at being students. There is significant distrust towards universities and a real power imbalance exists between our two groups." – National Union of Students

Although the *Higher Education Standards Framework (Threshold Standards) 2021* requires institutions to have mechanisms to address student complaints, the Review heard that options for addressing student complaints, particularly appeals procedures, are complex, slow, and can be unclear to students, especially those under stress.

The Productivity Commission has noted "there are few powerful avenues for complaints by university students," especially regarding teaching quality.[165] These challenges are amplified for some groups of students who face additional barriers to resolving complaints, such as students with disability,[166] and students enrolled in joint degree programs who "can be bounced back and forth between institutions with each claiming the other institution is responsible for resolving the situation".[167]

Students require a stronger voice in governance and decision-making and need to be able to hold institutions to account if they are dissatisfied. Stakeholder suggestions to achieve this include establishing a Higher Education Student Ombudsman to streamline student complaints and grievances.[168]

Institutions have a clear social obligation to ensure campuses are safe, welcoming and inclusive spaces for all domestic and international students. There could be stronger partnerships between institutions and their student bodies to address their concerns and to provide tailored support to ensure students have everything they need to succeed.

In New Zealand, this has been the focus of a student charter, implemented in 2021. This is a model which Australia could look to adopt in future.

Case study: New Zealand Code of Practice

In 2021 the New Zealand Government introduced the *Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021* (the Code), which formally recognises students as stakeholders by outlining universities' obligations to them.[169] The Code supports the wellbeing and safety of students by outlining requirements providers must meet, including considerations for physical and mental health support, safe and inclusive physical and digital environments, responding to complaints, and additional wellbeing and safety practices for tertiary student accommodation and for international learners. The code was developed with input from students, with the then-National President of the New Zealand Union of Students' Associations saying that

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[165] Productivity Commission, *5-year Productivity Inquiry: From learning to growth*.

[166] NUS, Australian Law Students' Association (ALSA) and Australian Medical Students' Association (AMSA), *Disability & Higher Education in Australia* [PDF]*, NUS, ALSA and AMSA, 2022, accessed 9 June 2023.

[167] Monash Graduate Association Inc, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[168] National Tertiary Education Union (NTEU), *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[169] Ministry of Education, *New Zealand Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021*, accessed 7 June 2023.

> "it is heartening that the Ministry of Education listened to the submissions of students and has strengthened their voice throughout the Code."[170]

Considerations for change

To make universities better places to study and work, and to ensure more effective governance, institutions working with students, staff and governments, the Review will continue to give consideration to the following policy areas:

a) improving student wellbeing and safety, including empowering students on matters that affect them
b) improving operational practices and supporting governing bodies to improve their effectiveness
c) enhancing wellbeing for staff, and appropriate workforce arrangements
d) ensuring higher education institutions develop appropriate governance frameworks to avoid underpayment of staff
e) through an ongoing Accord process, bringing together staff, unions, institutions and governments to consider policy settings, awards and institutional workforce structures
f) providing explicit support for tutors, research trainees and others on the boundary between student and staff status, and enhancing career stability for early career academic staff
g) considering improvements to the voluntary national code of practice and governance for university councils, and council composition to recognise the importance of expertise and leadership in teaching and research
h) examining whether current reporting arrangements demonstrate effective and efficient use of government funds by higher education institutions
i) considering development of a national student charter to ensure a consistent national approach to the welfare, safety and wellbeing of all students.

> Potential proposals the Review may also consider for the Final Report, and that reflect the broad themes outlined above, include:
>
> **Improving the operations of governing bodies:**
>
> a) adopting a national code of practice and governance for university councils, coupled with enhanced public reporting.
>
> **Improving student wellbeing and accountability:**
>
> a) developing a national student charter, in collaboration with domestic and international students, ensuring a national commitment and consistent approach to the welfare, safety and wellbeing of all students
> b) creating new structures and empower existing ones for students to advocate for their interests in institutional and national-level decision making
> c) embedding First Nations culture, knowledge and success in all aspects of university operations
> d) strengthening the role for the Commonwealth Ombudsman in student complaints, for both international and domestic students

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[170] New Zealand Union of Students' Associations (NZUSA), '*NZUSA Welcomes New Learner Wellbeing And Safety Code'* [media release], *Scoop Independent News*, 16 July 2021, accessed 9 June 2023.

e) providing a greater percentage of the Student Services and Amenities Fee to student unions to ensure the support and representation of students.

Improving workforce arrangements to enhance staff safety and wellbeing:

a) ensuring institutions and providers are meeting their obligations to staff and operate as exemplary employers
b) institutions improving professional development opportunities for staff to help staff gain and develop skills in teaching, research and management, with a focus on increasing the number of First Nations researchers and leaders in universities
c) boosting the capability of Australia's research workforce capacity by:

   i. supporting post-doctoral staff for their future careers whether in the sector or beyond
   ii. providing significant professional development for the academic workforce in research skills.

3.3: Sustainable funding and financing

> "To maximise the value universities can provide as part of a strong post-secondary system, we need policy and funding settings that recognise that university education and research make our nation stronger." – Universities Australia

Issues

The success of the Australian higher education system relies on a secure, enduring and sustainable funding system. The funding system must ensure that Australia produces the graduates it needs in the fields and geographical locations they are most needed, while also ensuring equity of opportunity to benefit from an education that transforms lives and communities. The system must provide for universities to receive sufficient funding to enable their ongoing financial health and continued high-quality delivery, and also that students are treated fairly and not left with unreasonable debts.

The Review has heard significant concerns regarding the current funding system, in particular the implementation of the JRG package, cross-subsidisation, a reliance on volatile revenue sources, and system transparency. As such, the Review is examining whether this system is fit-for-purpose and if it requires redesign.

This section explores issues with the current funding system, focusing on funding to support learning and teaching and funding for infrastructure, with aspects of the funding for research covered in Section 2.7.

3.3.1 Guiding principles for a new funding model

The funding and financing arrangements of the higher education sector are essential for achieving the ambitions elicited in the preceding chapters. The current funding system has evolved rapidly to reflect a patchwork of narrow and competing objectives that, taken together, undermine the system. The Review has consistently emphasised that a framework of strong values and principles must underpin a future higher education funding system.

Based on the Review's discussions and feedback to date, these could include:

- the funding system supports participation and meeting the knowledge creation, education and skills needs of the country
- the higher education funding system must be simple, fair, transparent, secure and enduring
- the cost of university activities (teaching, research and community engagement) should be accurately measured and made transparent
- the higher education system can be considered as a system with some priorities funded collectively

- the government provides funds for education and research separately, with funding aligned with the measured cost of that activity as well as with targeted outcomes over time
- universities receive sufficient funding to produce world-class education and research and to be effective contributors to their communities
- institutions have the resources required to commission and maintain infrastructure to support the delivery of high-quality education and research
- both collaboration and competition mechanisms are features of the funding system
- institutions are free to use their own funds as they see fit, given legislative requirements are met and spending is guided by the strategic plan of the institution
- reflecting the benefits that arise from higher education, funding comes from both public and private sources
- students' contributions to higher education are underpinned by the continued operation of a fair and sustainable ICL scheme, which does not unnecessarily burden people
- if a student is admitted into a course and willing to take on the student contribution, they will receive government support, which reflects the individual circumstances of the institution and its student cohorts, acknowledging that some students, particularly those from underrepresented backgrounds, require more support than others
- direct public research funding is predominantly provided through both the Nationally Competitive Grants and research block grant mechanisms
- Nationally Competitive Grants cover the cost of undertaking these projects
- research training funding mechanisms encourage and incentivise a larger domestic HDR cohort to build the advanced skills base particularly in areas of skills need
- students, including HDR students and postgraduate coursework students, should have access to sufficient financial support to support their study and participation, including when placements and WIL is a component of their study.

3.3.2 University sector revenue

Overall revenue to the university sector has grown significantly over the past decade, from almost $24 billion in 2011 to almost $39 billion in 2021 (a real increase of 35% over that period).[171] Various funding policy changes have been made in this time, and the impact of COVID-19 can be seen in 2020. This growth in revenue has been the result of increasing funding from a range of public and private sources (see Figure 3.3-1).

Figure 3.3-1: Categories of university revenue, 2004 to 2021

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[171] Department of Education, *2021 Higher Education Providers Finance Tables* [data set], education.gov.au, 2023, accessed 13 June 2023.
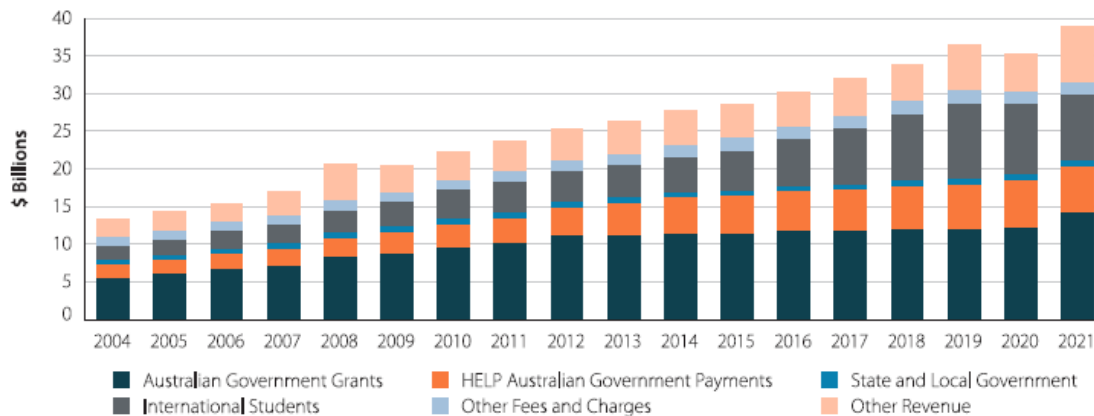
Through the Education portfolio, around $20 billion is provided each year to support learning and teaching and research. This includes over $7 billion in HELP loans on behalf of students.

It is estimated that in 2022-23, the Australian Government is investing $3.9 billion into R&D directly to the higher education sector and a further $2.6 billion which is considered 'multi-sector', which would include significant funding to universities.[172]

Fees from international students represent the second largest amount of overall university revenue (around $8.7 billion in 2021).[173] Universities also receive revenue from sources such as investments and consultancies, while a few institutions receive substantial donations and bequests each year.

The increases to overall university sector revenue mask difficulties at some institutions. Recent reports indicate that many, and potentially most, universities will be reporting losses for 2022. While at many institutions this may reflect the lingering effects of COVID-19, and more recently the downturn in student demand arising from strong economic conditions, at others these factors may have exacerbated underlying structural issues. Funding was provided as part of the JRG package to lessen its impact during a transition period to the end of 2023. This included a guarantee of government funding irrespective of enrolments. Given relatively soft demand from students at the moment, the end of this funding could contribute to further financial difficulties in the next few years.

This wide range of funding sources reflects the fact universities have multiple activities. Most significantly, and as noted in Section 3.1, they are expected to undertake both teaching and research. However, universities have different comparative advantages and priorities, leading to cross-subsidisation whereby they direct funding nominally for one activity to another. This cross-subsidisation has allowed them to invest both more heavily in areas that they see fit and in activities for which they may not have received any funding at all.

The issue of cross-subsidisation has been raised in various submissions. The lack of transparency around how institutions use the funding and fees is a cause for concern. Cross-subsidisation does not

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172 DISR, *SRI budget tables 2022–23.*

173 Department of Education, *Finance 2021: Financial Reports of Higher Education Providers Summary Information*, Department of Education, Australian Government, 2023, accessed 20 June 2023.

promote transparency and can reduce trust from students and the wider community about how resources are being allocated, and the Review considers the funding system should reduce its prevalence as much as possible.

An issue raised with the Review is whether government funding should be used strictly for the purpose for which it is provided (as happens in some other countries). Given the lack of transparency for students relating to how their fees are expended there needs to be greater transparency about how institutions are using this funding and how revenue derived is used for other activities, such as research and investment in infrastructure.

While there have been attempts to make higher education expenditure on teaching and research more transparent, the Review considers that doing so to the level that is needed will require better data collection and costing processes. Over time, this could lead to a better understanding of the cost of university activities to better inform government policy making and provide greater clarity to students about the use of their fees.

3.3.2.1 Infrastructure funding

While many universities have been able to use other sources of revenue to finance updating and building new infrastructure, the Review is aware that the ability of some institutions to do this is limited by their relatively small income from other sources. High-quality infrastructure is necessary for teaching and research.

The issue of infrastructure funding is not new. The 2015 Higher Education Infrastructure Working Group found that transformative infrastructure is vital for internationally competitive universities and while universities manage their infrastructure and financial resources well, there is a risk that financial shocks could erode their capacity to do so.[174] It was also noted that some regional and multi-campus outer suburban universities face particular infrastructure difficulties.

As outlined in Section 2.7, there is broad support for the ongoing funding of NCRIS. The Review has also heard from a number of stakeholders who are concerned about the lack of Government funding for infrastructure since the end of the EIF. The EIF was established on 1 January 2009 to provide dedicated ongoing capital funding for tertiary education and research infrastructure. It provided $4.2 billion for infrastructure projects though competitive funding rounds held between 2008 and 2011, including projects such as the transformation of Central Queensland University into a dual sector institution, a joint health education facility at Port Macquarie, the Australian Centre for Indigenous Knowledge and Education at Charles Darwin University jointly with BIITE and Australia's involvement in the Giant Magellan Telescope project.[175]

The Review notes various submissions support establishing a specific fund that could be used for future infrastructure needs, as well other national priorities. This could include consideration of a levy on international student fee income. The use of this revenue for sectoral-wide priorities could reflect the collaborative nature of the sector in building a strong and enduring system. The Review notes further examination is required, including consideration of some level of co-investment from governments.

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[174] Higher Education Infrastructure Working Group, *Higher Education Infrastructure Working Group: Final Report*, Department of Education, Skills and Employment, Australian Government, 2015, accessed 13 June 2023.
[175] H Ferguson, *Will the new Future Drought Fund leave the Education Investment Fund high and dry?*, Parliament of Australia website, 2018, accessed 16 June 2023.

There is also value in exploring how universities could be better supported to leverage their balance sheets to fund infrastructure projects. Some universities are doing this very effectively already. As the Higher Education Working Group found, there is interest from financial institutions to better leverage university assets and this could be a source of significantly more funding to support infrastructure projects if a funding source for interest or similar payments can be secured.

> **Case study: Western Growth**
>
> Western Sydney University's 'Western Growth' program leverages the university's balance sheet to deliver world-class infrastructure, with over $1 billion in new facilities over five years. The program:
> - revitalises the university's campus network
> - creates new technology-enabled learning, teaching and research facilities
> - repurposes existing assets to generate a corpus to reinvest into learning, teaching and research
> - incorporates its learning, teaching and research projects into real-world environment with living laboratory opportunities.

3.3.3 The Job-ready Graduates (JRG) package

The JRG package was the source of significant concern in many submissions to the Review.

The JRG package introduced fundamental changes to the funding of learning and teaching. At its core was a redesign of the CGS funding clusters and student contribution bands across different fields of education. The main stated aim of the JRG package was to incentivise students towards fields of expected employment growth, while aligning base funding to the average cost of delivery across different fields of education.

The package aimed to be 'budget neutral' – that is, savings were reinvested in other parts of the funding system – but in fact the JRG package decreased total base funding (the combination of Commonwealth and student contributions) per equivalent full-time student by 5%. This reduction included a decrease in CGS funding per place of 14% and an aggregate increase in student contribution amounts of 7%. Within these changes, some fields, such as humanities and communications, saw increases in student contribution amounts of up to 113%.

In trying to align funding more closely to costs, the JRG package reduced the ratio between funding and estimated costs from around 111% to 106%.[176] The costs used to develop the JRG package are based on the Transparency in Higher Education Expenditure process that has occurred annually since 2017, with a reference group including a number of sector representatives providing guidance and advice on its implementation. Through this process universities provided estimates of the cost of teaching and scholarship across a range of fields of education at their institution. However, there are strong concerns that the estimates provided through this process do not reflect the true cost of

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[176] Based on an analysis of Department of Education, *Higher Education Statistics –Student Data* [unpublished data], Department of Education, Canberra, 2023 and Deloitte Access Economics, *Transparency in Higher Education Expenditure*, report to the Australian Government Department of Education, Deloitte Access Economics, November 2019, accessed 14 June 2023. This figure is based on analysis done at the time of the package's formulation, and was based on student load profiles from 2019 (then the most up-to-date available data). University estimates of student load for 2022 suggest that since that time student profiles have changed to a non-trivial extent, and university cost estimates have also been updated since the reforms were implemented. It is not safe to assume that the 106% figure remains true in 2023.

teaching and scholarship. Additionally, the decision to determine base funding levels using the average costs has meant some universities and disciplines are now underfunded, further compounding viability issues.

> "[U]nder JRG the gap between the cost of delivery and the funding provided has widened. This creates significant problems for universities with vet schools and vet hospitals, and puts at risk the future delivery of underfunded programs. Funding gaps for teaching and research now need to be covered by other revenue sources." – University of Queensland

This reduction in funding, which was primarily achieved through a reduction to the CGS was then used to fund growth in the number of CSPs funded in the system, with higher growth provided to campuses in regional areas, and creation of a new National Priorities and Industry Linkage Fund (NPILF) to support enhanced engagement between universities and industry to produce job-ready graduates. While JRG did not exactly match funding with estimated costs across all disciplines, with funding still being 6% higher than costs on average, it did mean there is less funding to support other activities such as research, infrastructure and community engagement although no explicit statement is made about how these things are funded under the package and to what extent.[177]

Through consultation and submissions, the Review has noted substantial and overwhelming criticisms of the JRG package and the current funding system.

Various stakeholders have pointed out that base funding reductions to several priority fields (such as education, mathematics, science, engineering, nursing, psychology and allied health) have made teaching them financially unsustainable. This is due to the high costs associated with teaching these fields not being covered by the base funding rates. This is of critical concern given the importance of these disciplines to meeting current skills needs.

The principle of setting base funding rates in line with the average cost of teaching at the bachelor level has also led to the base funding rates not being appropriately set for a number of universities, as they do not recognise the significant variations in per student teaching costs amongst universities. Importantly, these funding rates do not recognise different delivery methods and this affects students' learning experience and outcomes, particularly for the underrepresented students who benefit the most from tailored delivery methods as discussed in Section 2.3.

The Review has also noted that the attempt to incentivise students to move to fields of national priority and away from fields such as humanities has had little effect on student choice. This has recently been noted by the Productivity Commission, which found "the overall demand for university enrolment in Australia is unresponsive even to significant price increases given ICLs and existing subsidies."[178] This finding is supported by further research which found "university applicants are not highly price sensitive in the context of income-contingent loans… price is not a key consideration for applicants."[179] This is supported by analysis from the Department of Education. For example, while student contributions for society and culture more than doubled, applications to Tertiary Admissions Centres increased by 3.1% in 2021, while applications direct to universities increased by 63.2%.[180]

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[177] Based on analysis of Department of Education, *Higher Education Statistics –Student Data* [unpublished data].
[178] Productivity Commission, *5-year Productivity Inquiry: From learning to growth*.
[179] M Yong, *Demand and supply effects of university funding changes: an Australian policy analysis* [unpublished Honours thesis], University of Melbourne, 2022.
[180] Department of Education, *Analysis of Tertiary Admissions Centre data* [unpublished analysis], Department of Education, Canberra 2023.

While applications for society and culture decreased in 2022, this was in line with overall reductions across the sector.

Rather, the student contributions have mainly led to some students incurring significantly higher debts that they are unlikely to repay in reasonable timeframes (if at all). On top of this, increased student contributions are now at historical highs and are unfairly affecting female students and Indigenous students, as shown in Figure 3.3-2. The Review considers this is untenable.

Figure 3.3-2: Impact of the JRG package on student contributions paid by female and Indigenous students.
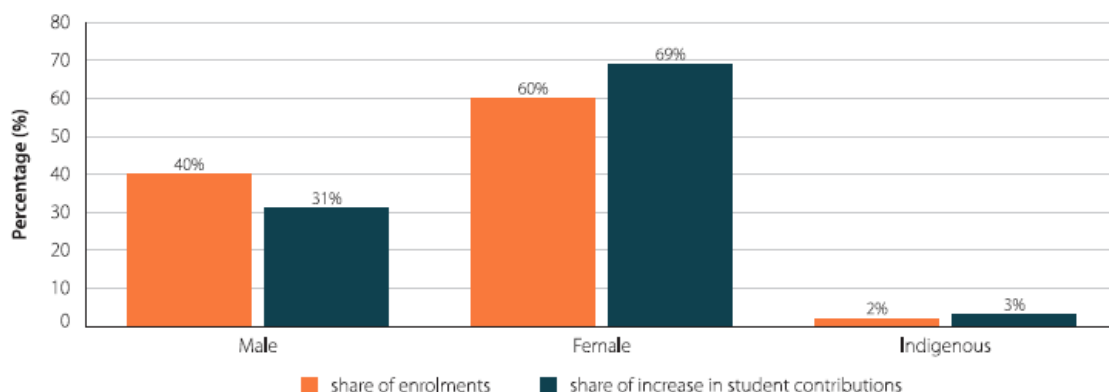
Source: Department of Education internal analysis based on Department of Education, _Higher Education Statistics - 2021 student data_ [data set], education.gov.au, 2021, accessed 8 June 2023.

The JRG package intended to return growth to the funding system, with universities' funding being indexed each year in line with CPI and further funding provided on the basis of the location of campuses. However, the level of funding was not adjusted, to reflect actual student enrolment numbers. Analysis indicates that while there has been falling enrolments across the sector, these reductions are largest at regional campuses, which receive the largest funding increases under the JRG package. As the distribution of funding across the sector does not respond to student demand, it has led to some universities being 'under-enrolled' and others 'over-enrolled'. This inefficiency in funding distribution has led to some universities having inadequate funding for their student load, as they are teaching many more students than their funding is calculated to support.

Issues around the adequacy and certainty of universities' funding is further compounded by the current environment of soft student demand, pricing incentives created by the JRG changes and institutions' capacity to grow, as well as the slower recovery of some from the COVID-19 pandemic.

The above illustrates the various and significant issues and impacts that have been created by the JRG changes. It is evident that base funding per place and students' contributions should be redesigned. Funding arrangements must also ensure sufficient growth, stability and certainty, and better allow institutions to pursue their mission and meet their student, industry and community needs.

The Review notes changes to JRG and the implementation of a new funding model are necessary. As explored in submissions and consultations, the continuation of these current arrangements risk causing long-term and entrenched damage to Australian higher education.

The Review is considering new funding models, including to address the negative impacts of the JRG package.

3.3.3.1 Providing funding certainty

The Review notes the need to ensure funding certainty for universities until a new funding approach is considered. In particular, the end of the HECG may cause unnecessary disruption to staff, students and the sector. New funding arrangements will be proposed in the Final Report and then followed by a period of Government consideration. Interim funding arrangements are needed in advance of a possible new funding system.

The HECG has provided certainty to universities during the significant upheaval from the COVID-19 pandemic and during the implementation of the JRG package. The Review is concerned that the removal of these arrangements would represent a significant change in the sector's financing arrangements, especially in anticipation of further future change that could arise from the recommendations of the Final Report. Many institutions, particularly those with smaller domestic and international student numbers, regional universities, and those with higher costs due to needing to provide students with additional support will find it financially challenging. The end of the HECG could see these institutions make difficult and premature financial choices, such as reducing staffing numbers, decreasing support services or cancelling capital works, that are not in line with the needs of students or staff or the long-term direction of the Accord.

The Review strongly supports stability for the sector, and that institutions should have certainty of their funding into 2024. However, given the imperatives identified by the Review with regard to growth for skills through greater equity, universities and other providers should be required to direct this towards supporting and enhancing equity outcomes.

As stated in Section 2.3, many equity students need additional support including increased academic advice and learning support, and the delivery of enhanced wraparound services. The Review considers institutions must determine the use of this funding according to their student and local community needs. This should include a range of assistance and support mechanisms for students, such as increased support for students in enabling courses (including additional places within a more flexible funding envelop), improved academic advice and learning support, wraparound services (such as mental health), scholarships or other services.

Immediate action:

Provide funding certainty, through the extension of the Higher Education Continuity Guarantee into 2024 and 2025, to minimise the risk of unnecessary structural adjustment to the sector. Interim funding arrangements must prioritise the delivery of support for equity students to accelerate reform towards a high equity, high participation system.

3.3.4 A student-centred, needs-based funding model

3.3.4.1 Supporting attainment and participation

As discussed in earlier chapters, Australia's higher education funding system must operate to increase long-term participation and attainment, including for those students from historically disadvantaged backgrounds.

If implemented, meeting targets and objectives of higher education participation and attainment would require additional long-term funding and a substantial restructuring of learning and teaching funding to ensure sufficiency, sustainability and stability. The funding trajectory for higher education needs to be dynamic to meet the attainment needs of the nation and parity of participation.

The Review's ambition is that a new funding system for learning and teaching can achieve multiple objectives – that institutions can deliver courses that align well with their mission and purpose, can meet Australia's future skills needs, and that students can pursue courses which align with their abilities and interests. This should occur within a system that takes account of the national interest in the overall supply of a highly talented, highly skilled, well-located workforce, which meets the changing requirements of the economy.

As outlined in Section 2.1, a universal learning entitlement to high-quality tertiary education (higher education and VET) may be needed. As part of this overall ambition, a universal learning entitlement should sit at the centre of the higher education funding system and any capable student would receive a CSP in a higher education course of their choosing. As a first step, a priority element of the universal learning entitlement should ensure all students from equity cohorts are eligible for a funded place at university.

While there are similarities between a universal learning entitlement and demand driven funding, the Review sees the concept of 'demand driven funding' as no longer reflective of current requirements, as it focuses only on the willingness of a student to learn, and the willingness of a provider to enrol. National skills needs and balanced tertiary provision across regional and metropolitan areas, are both important objectives that also need to be met through better planning than demand driven funding. The role of the Tertiary Education Commission and its relationship with JSA could be an important part of this, ensuring the higher education system responds to economy-wide skills requirements, and delivers against new participation and attainment targets including for equity cohorts.

The Review notes that it is important to learn from previous experience and suggests that a universal learning entitlement could be designed and delivered in an optimal way. There have been various examples of policies in the tertiary education system that have implemented demand driven funding in higher education and a similar entitlement for those enrolling in Certificate 3 and above in the VET system. As the Productivity Commission has recently noted, these policies led to budget blowouts and affected the balance of enrolments between VET and higher education.[181]

Although the 2013 *Review of the Demand Driven Funding System* found the system had responded well to skills shortages,[182] it also found that "the rapid increase in science enrolments is leading to employment problems for graduates."[183] Comparing domestic bachelor level enrolments in 2009 and 2017 shows that growth was higher than average in health, IT, science and society and culture.[184] While labour market outcomes for health and IT graduates have been above average, this is not true for graduates from science, and society and culture degrees. While student choice is essential, in exploring different funding policies, the Review is conscious of ensuring this is balanced with the

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[181] Productivity Commission, *5-year Productivity Inquiry: From learning to growth*.
[182] D Kemp and A Norton, *Review of the Demand Driven Funding System Report*, Department of Education, Australian Government, 2014, accessed 12 June 2023.
[183] Kemp and Norton, *Review of the Demand Driven Funding System Report*.
[184] Department of Education, *Higher Education Statistics –Student Data* [unpublished data].

system needing to supply graduates who meet the societal and economic needs of their region and the nation.

A new funding model must be able to support multiple policy objectives. It should create an environment where all students, regardless of their background, have equal opportunities to access higher education. It must also provide institutions with certainty and stability. Institutions should have a clear understanding of their learning and teaching funding over the medium-term and be confident that they would be supported to adjust should there be significant changes in enrolments across the sector. The role of a potential Tertiary Education Commission and JSA is likely to be central to this system and the Review will continue to deliberate on how such a system might be implemented between now and the Final Report.

3.3.4.2 Funding a high-quality education

To ensure all higher education students receive a high-quality education, it is important that per-place funding rates are appropriate. Any new pricing model must be dynamic, able to adjust to reflect changes and innovation in delivery costs, teaching practice and curriculum, while also recognising that the cost of teaching differs by student cohort (low SES, regional and remote, Indigenous and under-prepared) and location. These funding rates need to be informed by accurate and ongoing analysis of costs and resourcing requirements and be sufficient to support continued improvement in quality.

As highlighted above, the Review notes further examination of activity costings for teaching, learning and research is required. This should include examination of why costs differ across institutions, including the impact of different student cohorts and locations.

3.3.4.3 Discipline funding rates

A shared concern across the sector is the impact of the JRG funding changes on the capability of institutions to deliver a high-quality education. As noted above, this is particularly noticeable in the STEM disciplines, which are essential to many of the technical skills graduates will require in the future. The Review notes that funding for these disciplines could be adjusted to better reflect the cost of delivery.

The use of the average cost of delivery across the sector has led to several universities noting that the current base funding levels for some fields of education do not adequately reflect their cost of delivery (see Figure 3.3-3 below comparing base funding with the range of costs across the sector). This can be particularly problematic for those universities which do not have large international student fee revenue to bridge the gap between the funding and costs of teaching. Changes to base funding levels have also made it difficult for institutions to pursue teaching excellence, or to implement the changes needed to support new types of teaching delivery.[185]

Figure 3.3-3: Comparison of costs and base funding under the JRG package.*

[185] UNSW, *Submission to the Australian Universities Accord Discussion Paper*, 2023; James Cook University (JCU), *Submission to the Australian Universities Accord Discussion Paper*, 2023; University of Melbourne, *Submission to the Australian Universities Accord Discussion Paper*, 2023; ATN, *Submission to the Australian Universities Accord Discussion Paper*, 2023.
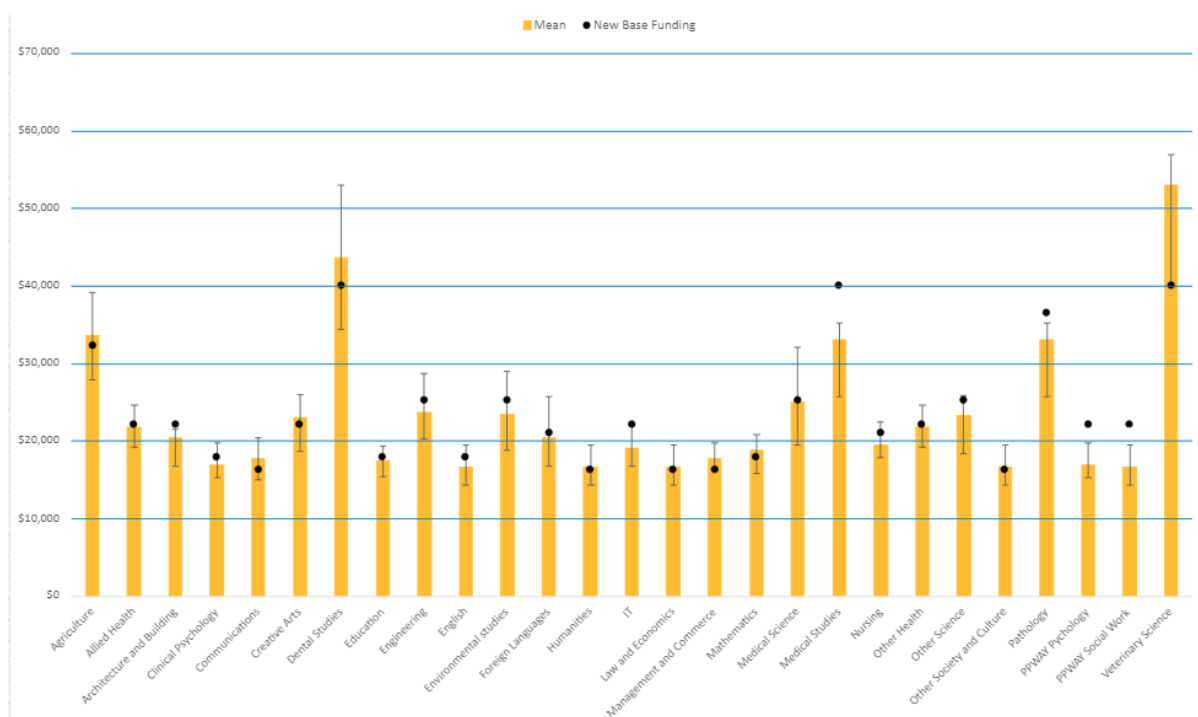
Source: Department of Education internal analysis based on Deloitte Access Economics, *Transparency in Higher Education Expenditure* [unpublished dataset], Department of Education Skills and Employment, 2022, accessed 8 June 2023.
* Error bars provide a range for the cost of delivery for an equivalent full-time student load (EFTSL), with lower and upper bounds representing the 25th and 75th percentile. Average costs for all levels were reported in 2020, and have been indexed to 2023.

3.3.4.4 Funding to support expansion and success in participation

It is also critical that institutions receive enough funding to support the learning needs of different students. A significant expansion in the system will increase enrolments of students from traditionally underrepresented backgrounds. The funding system must be adequate to support these students to complete their studies successfully and in minimum time.

The Schooling Resource Standard (SRS) that forms the basis of Australia's schools funding system is useful to examine is this context. The SRS comprises a base amount for every primary and secondary student and six equity loadings. The aim of the equity loadings is to provide additional financial support to schools with higher concentrations of need so that all students can achieve good outcomes. The equity loadings are for students with disabilities, students with low English language proficiency, Indigenous students, students with socio-educational disadvantage, students in regional and remote areas and small schools.[186]

The Review notes that while the higher education context is significantly different to schools, where for the most part all students are taught the same curriculum, using different loadings to reflect differential costs of adequately supporting different student cohorts could be explored in the higher education context. This will require a better understanding of the costs of supporting different student cohorts to ensure the loading amounts are appropriate.

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[186] Department of Education, *Schooling Resource Standard*, Department of Education website, n.d., accessed 7 June 2023.

The Review is examining the potential benefits of a student-centred, needs-based funding model for learning and teaching in universities, similar to that now used for schools, which takes into account the costs of different courses and the socio-economic mix of students at each institution.

3.3.4.5 Funding base research capacity

A central aim of a new funding system could also be to remove any existing cross-subsidy from learning and teaching to research. That most academics undertake teaching, research and scholarship is reflected notionally in the current base funding for CSPs. This could be removed from funding for learning and teaching, and provided explicitly for scholarship, research, and innovation through a separate funding stream (potentially a new research block grant), but with a distribution that retains the wide distribution between institutions that is currently in place.

3.3.5 Improving affordability for students

Since the introduction of HECS in 1989, (now replaced by HELP), the Australian higher education system has been based on the principle that given the public and private benefits that arise from higher education, student places should be funded by both the Government and students. This mix of funding has facilitated the significant expansion the higher education system experienced over the previous 35 years and should continue.

In considering this issue, the Review is receiving significant advice from Emeritus Professor Bruce Chapman AO, the architect of HECS.

3.3.5.1 Fair and affordable student contributions

According to the latest OECD Education at a Glance publication, tuition fees for full-time domestic students studying a bachelor degree and a master's degree at a public university in Australia were the sixth and the fourth highest respectively of the OECD countries.[187]

The Review has consistently heard, through submissions and direct consultations, that changes to student contribution rates as a result of the JRG package are unfair and not based on sound or consistent principles. The Review's analysis supports this position.

There are a range of considerations and options in considering what future student contributions should be set at. Submissions have proposed a number of principles that should inform the development of new arrangements including that students should not be unfairly subjected to excessive debts; and that setting fairer contribution rates could increase access to higher education, help incentivise lifelong learning, and reduce the amount of debt never repaid.

These are complex issues that will be the subject of more detailed analysis in advance of the Final report.

- Various submissions, including from Universities Australia and the National Union of Students, recommend replacing or reversing changes introduced by the JRG package.[188] This would include reducing fees for students undertaking humanities, communications and

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[187] OECD, *Education at a Glance 2022: OECD Indicators*, OECD Publishing, Paris, 2022, accessed 7 June 2023.

[188] National Union of Students, *Submission to the Australian Universities Accord Discussion Paper*, 2023; Universities Australia, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

society and culture courses. Initial Department of Education estimates suggest this could cost in the order of $1 billion per year.

- Other stakeholders such as the Group of Eight and Australian Technology Network of Universities have suggested exploring a single student contribution rate.[189] Depending on the level of this contribution, it is likely to represent significant increases in contributions for some students, while decreasing for others. While this approach would charge students equally, regardless of their course, it also risks unfair trade-offs. Student contributions would be likely to increase on average for women, First Nations people, regional and remote, and low SES students, or Government would need to provide additional funding and the overall share paid by students decrease.

- The NSW Vice-Chancellors' Committee and University of Technology Sydney also suggested examining increased fees for Commonwealth supported postgraduate students.[190] The latest transparency of higher education expenditure survey indicates the cost of teaching postgraduate students in 2020 was around 20% higher than the cost of delivering bachelor degrees.[191]

- The University of Canberra suggested that student contributions should align with graduates' future earnings potential as well as course costs.[192] It is clear from graduate earnings data that contributions from students in certain disciplines, particularly creative arts, social studies, humanities and communications, are not in line with expected earnings for these students.[193]

- The JRG changes increased the average student share from 42% to 48%, with the Commonwealth's share adjusting from 58% to 52%. This has meant students now, on average, pay closer to 50% of base funding costs. However, based on a discipline level, there are some cases where students pay closer to 90%, including in business, law and humanities. It is not fair for some students to make such a high contribution, even if expected earnings are likely to be higher than average.

Fundamental reform is required to address the perverse outcomes created by the JRG package. This needs to be considered in the context of the design of any new funding model for teaching and learning. A key priority for the Review is ensuring student contributions are fair and do not place undue burden on students. In making recommendations, the Review will also consider an appropriate transition, including options to implement changes over time to minimise impacts to students studying now.

The Review is examining potential changes to student contributions to reduce long-term financial burden for individuals and sustain successful increased participation in higher education.

3.3.5.2 Building on the world-leading success of the HELP system

The HELP system is a critical pillar of the funding system for higher education and has served Australia well. The scheme is designed to both expand access to higher education without

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[189] The Group of Eight, *Submission to the Australian Universities Accord Discussion Paper*, 2023; Australian Technology Network of Universities *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[190] NSW Vice-Chancellors' Committee, *Submission to the Australian Universities Accord Discussion Paper*, 2023; University of Technology Sydney, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[191] Deloitte Access Economics, *Transparency in Higher Education Expenditure*, report to the Department of Education, Skills and Employment, Deloitte Access Economics, June 2022, accessed 13 June 2023.

[192] University of Canberra, *Submission to the Australian Universities Accord Discussion Paper*, 2023.

[193] Based on Department of Education analysis of departmental and Australian Taxation Office (ATO) HELP data [unpublished].

substantially burdening the budget, and to eliminate the upfront cost of tuition for students. The Review believes the HELP system remains a highly effective approach to funding higher education, and the overall approach of this system remains sound in terms of affordability, sustainability and equity. However, recent focus on the size of debts incurred by some graduates (which should be improved by a redesign of student contributions), repayment burdens and the effects of high inflation on accumulated debts leads the Review to consider it is time for the HELP system to be examined. The Review is hearing evidence of the impacts these issues could have on peoples' lives. It is time to review current policy settings to ensure they remain appropriate for a modern education system, workforce and economy.

3.3.5.2.1 Ensuring debts are manageable

HELP debts are not subject to interest but are indexed to retain the real value of the debts over time. This is to ensure that the value of the HELP asset to taxpayers does not decline over time and safeguards the sustainability of the HELP system.

Since the introduction of HECS, outstanding debts have been indexed by CPI. In most years this has resulted in a rate of indexation below wages growth and the long-term costs of Government borrowing. However, in the modern context of much higher average debts for graduates, and the current economic climate of high inflation and modest wage growth, indexation has caused larger than typical increases in outstanding debt. The Review is aware that graduates are concerned when they make repayments but see no nominal decrease in their HELP balance. This raises concerns from HELP debtors around holding larger HELP debts for longer.

"Students are now more indebted than ever before." – Sydney University Postgraduate Representative Association

CPI indexation has been volatile recently, increasing from a rate of 0.6 in 2021 to a rate of 7.1 in 2023. High CPI growth in conjunction with relatively more modest wage growth has meant debtors' real wages have decreased.[194] Using the Wage Price Index (WPI) as a measure for indexation has been suggested by stakeholders as it ensures that the cost of HELP is correlated to the private benefits received by debtors. Alternatively, using the lower of Government Long-Term Bond Rate (LTBR) and CPI as it ensures that HELP debt is always concessional to the Government's long-term costs of borrowing.

The Review is considering the most appropriate way to reduce the volatility of the current indexation method. However, it must simultaneously consider the appropriate size and sustainability of accumulated debts and the earning capacity of graduates.

The Review is also aware of concerns around the timing of indexation on 1 June each year and the perception that income withheld for HELP repayment is not immediately applied to reducing debts. The Review welcomes the work of Australian Government departments and the Australian Taxation Office (which administers repayments of HELP debt) in considering this issue and whether changes are necessary and feasible given the complexities of tax administration.

3.3.5.2.2 Ensuring repayments are not overly burdensome

Repayment of HELP debt occurs when a debtor's repayment income exceeds the minimum repayment threshold. In 2022-23 this minimum threshold is $48,361 and increases to $51,550 in 2023-24. Above this threshold the individual's repayment amount is 1% of their total repayment

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[194] ABS, *Consumer Price Index, Australia*, ABS Website, n.d., accessed 13 June 2023.

income, with this rate increasing progressively with income.[195] Basing repayment on total income means that the amount of debt that a person repays can increase significantly over small income ranges (a repayment 'cliff'). This is particularly noticeable at the first repayment threshold where earning $1 more means a person must repay $483.

Previous studies have found evidence of clustering of repayment incomes just below HELP repayment thresholds.[196] Analysis supports these findings, particularly for lower income thresholds, and those where the relative increase in the repayment rate is higher (the first two thresholds in 2019-20 increased by 1pp, rather than 0.5pp at higher thresholds).

A system based on marginal repayment would reduce these repayment cliffs by basing the repayment calculation on income only above the repayment threshold. This would generally mean a person could no longer pay more in HELP repayments than they earn in additional work. A marginal repayment system could also be structured in a way that reduces the burden of HELP repayment of low-income earners, improving the outcomes of the system, as well as reducing negative interactions with other parts of the tax and transfer system.

> "The ability to improve the equity of repayment arrangements, to increase the incentive to work and to remove poverty traps are good reasons to change to a marginal rate approach."[197] – Emeritus Professor Bruce Chapman AO

The impact of a marginal system on both individual debtors and on the cost to the system (in terms of debt not expected to be repaid (DNER)) would depend on the specific thresholds and repayment rates chosen. It would be possible to introduce a marginal repayment schedule that results in the same amount of HELP repayments, potentially by lowering the minimum threshold or by having relatively high marginal repayment rates that step up quickly. While a marginal system would likely reduce repayments for those at lower incomes and therefore increase their disposable income, the income contingent nature of the HELP scheme means these people are likely to repay for longer as their annual repayments are lower.

3.3.5.2.3 HELP debt forgiveness

HELP debts are generally only written off when debtors die, but the circumstances where debt is forgiven could be expanded. Larger scale student loan forgiveness is already utilised internationally. Domestically, different programs have recently been implemented which reduce the debts for some health workers.

Broad approaches to writing off HELP debts, like debt forgiveness after a certain period, can be very expensive. The United Kingdom has such a system but has pushed out the point at which debts are forgiven multiple times due to the cost, reaching 40 years for new loans from August 2023. Expanded write offs would also limit options for other policy changes to HELP, as anything which increases repayment times would come at an even greater cost. This would constrain the capacity for more precise affordability measures.

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[195] ATO, _Study and training loan repayment thresholds and rates_, ATO website, n.d., accessed 13 June 2023.
[196] R Highfield and N Warren, 'Does the Australian Higher Education Loan Program (HELP) undermine personal income tax integrity?' _eJournal of Tax Research,_ 2015, 13(1); B Chapman and A Leigh (2008) 'Do very high tax rates induce bunching? implications for the design of income-contingent loan schemes', _Economic Record,_ 85(270):276-289, doi:10.1111/j.1475-4932.2009.00554.x.
[197] Advice to the Accord Panel from Emeritus Professor Bruce Chapman AO [unpublished], 2023.

Governments could focus on targeted approaches to debt write offs, for debtors who work in industries and/or regions facing shortages. For example, the Australian Government is already reducing the HELP debts of doctors and nurse practitioners in rural and remote areas. Such programs may be better handled by jurisdictions for occupations like nursing and teaching, as the primary employers of these debtors. Issues with employment in these occupations are not purely from a lack of qualified people. The shortages are also driven by poor retention within the occupation, so the incentive could be tied to continuous employment.

3.3.5.2.4 HELP debts and home lending

The Review is aware of concerns that large HELP debts may impact graduates' ability to enter the property market. Discussions with the Australian Prudential Regulation Authority confirm the issue of housing affordability is complex.

It involves the intersection of a range of factors, such as supply issues, prices and rising interest costs and individual bank policies and practices. Nevertheless, large HELP debts that take longer to repay debts can impact debt servicing capacity for longer. This issue will be examined in the next phase.

3.3.5.2.5 Loan fees on FEE-HELP loans

Since 2005 students studying in full fee-paying places have been eligible to receive support through a FEE-HELP loan. These loans currently attract a fee set at 20% of the loan amount. HELP loans for students in CSPs do not attract a similar loan fee. Some submissions to the Accord from independent providers have argued that the loan fee is inequitable and have advocated for it to be removed from FEE-HELP loans (as well as from VET student loans).

> "It is a great farce of Australia's tertiary education system that a student accessing either a FEE-HELP Loan for undergraduate study, or a VET Student Loan in an unsubsidised place, will be required to pay a student loan tax on top of the amount that they borrow for study. This tax is discriminatory, levied largely on the basis of the student's choice of provider and has no relationship to likelihood they will repay the loan." – Independent Tertiary Education Council Australia

The loan fee increases the amount of HELP a student must repay, and will therefore extend the amount of time a student takes to repay this debt after finishing their course. This can have an adverse impact particularly on those who require longer periods to repay their debts, including women working part time.

The Review will consider the rationale and continuing suitability of loan fees for FEE-HELP loans ahead of the final report.

Considerations for change

To ensure an enduring and sustainable funding model for higher education, the Review will continue to give consideration to the following policy areas:

a) establishing a framework of strong values and clear principles for public and private investment that underpins the higher education funding system
b) how best to design a funding model which provides longer-term stability, that is dynamic in responding to changes in student mix and demand, and that protects against rapid shifts in funding that are beyond the capacity of institutions to adapt
c) how to establish a new funding model for higher education, that:

  i. is student-centred, needs-based, ensuring the funding available is sufficient to provide access to high-quality higher education for students from equity backgrounds and from different locations

  ii. helps achieve attainment and equity targets, and recognises the different costs of delivery in regional Australia

  iii. strengthens Australia's higher education research capacity

d) developing a stronger understanding of the true costs of the core activities in higher education, increasing transparency and improving pricing, quality, performance and efficiency

e) ensuring the ongoing affordability of higher education for students, including adjusting student contributions required by the JRG package

f) examining changes to HELP to make it fairer and support growth in participation

g) ways to support and maintain critical teaching and research infrastructure

h) reducing the extent to which core higher education functions rely on funding from insecure income streams, and decreasing the extent of cross-subsidisation throughout the system

i) examining a funding mechanism such as a levy on international student fee income. Such mechanisms could provide insurance against future economic, policy or other shocks, or fund sector priorities such as infrastructure and research.

Potential proposals the Review may also consider for the Final Report, and that reflect the broad themes outlined above, include:

A new funding model that considers:

a) a universal learning entitlement, so that if a student is qualified for admission to a course in higher education, they will receive Government support

b) additional mission-based loadings reflecting location and student demographics

c) discipline mix that meets Australia's skills needs both nationally, regionally and locally

d) providing certainty and stability to institutions of funding over a longer period.

Improving the transparency of institutional spending and the cost of teaching and research:

a) exploring new and regular approaches to activity-based costing and pricing to provide transparent and independent advice in relation to funding and expenditure

b) regularly revise pricing to reflect changes in teaching and research costs and delivery and promote efficiency and quality outcomes.

Changes to ensure affordability for students:

a) student contributions at different levels, noting certain courses lead to higher potential earnings.

b) HELP arrangements, including moving to a marginal repayment rate and changes to indexation.

Chapter 4: Building an Accord

"The Accord should establish a framework and mechanisms for long-term cooperation and collaboration between the Australian Government, the higher education sector, industry, and related stakeholders that will positively shape post-school education in Australia for the next generation – not just a series of short-term policy initiatives." – The University of New England

Issues

A renewed higher education system will not be achieved by the actions of the Australian Government or the higher education sector alone. It requires collective ambitions and collaboration among a wide range of participants across the system with sustained commitment over decades.

The Commonwealth and state and territory governments must work together in partnership with the tertiary education sector, industry, unions and communities to develop and deliver this vision.

The Review is considering how such an Accord could be operationalised as it prepares for its Final Report.

4.1 Implementing an ambitious, enduring Accord

Consultations have reinforced to the Review the importance of an Accord to drive genuine engagement and collaboration to prioritise and plan for the future. An Accord must be a dynamic partnership, providing a framework for shared stewardship of the higher education system, including all major stakeholders in the sector and Australian society: higher education providers, their students, staff and alumni; state, territory and Australian Governments; businesses; unions; and community organisations. Such a mechanism would focus on practical action, by establishing appropriate structures of dialogue and discussion among key stakeholders, identifying shared conclusions and priorities for action, and providing advice or advocacy to key policy processes.

Within the broader ambition for an enduring Accord, there is a need for close partnership on critical reforms. Skills, qualifications and the implementation of AQF reforms could have a significant impact on some industries and need to be implemented through arrangements with industry, unions and government.

Similarly, governments will need to work together to implement any future reforms and achieve the long-term ambition for a higher education sector that continues to grow and develop, as part of a broader tertiary education system and wider innovation and research ecosystem. States and territories are stewards of the VET system and should be partners in changes to VET or higher education.

Considerations for change

Delivering the opportunities and ambition proposed by this Interim Report requires joint effort across a range of stakeholders and parties in the form of a dynamic partnership to ensure Australia's higher education sector as part of a broader tertiary education system can grow and develop to meet Australia's economic, cultural and social challenges and advance our national interests.

Delivering this would require establishing an ongoing mechanism to bring together governments (with bipartisan support), universities and higher education providers and their students and staff, businesses, unions and community leaders in the form of a continuing Accord process.

> An Accord process could include:
>
> a) convening a series of forums to discuss key challenges facing higher education, which require new solutions and collaboration between jurisdictions, communities and sectors.
> b) representatives of student, academic, industry, community and union groups with a stake in tertiary education working together with governments on key issues and challenges, with shared access to evidence and examples.

Glossary

ABSTUDY	Aboriginal and Torres Strait Islander Study Assistance Scheme
AQF	Australian Qualifications Framework
APEC	Asia-Pacific Economic Cooperation
ARC	Australian Research Council
ASC	Australian Skills Classification
ASEAN	Association of Southeast Asian Nations
ASQA	Australian Skills Quality Authority
AUKUS	The trilateral security partnership between Australia, the United Kingdom and the United States
BIS OE	BIS Oxford Economics
CGS	Commonwealth Grant Scheme
CPI	Consumer Price Index
CRC	Cooperative Research Centres
CSP	Commonwealth supported place
DNER	Debt not expected to be repaid
EAS	East Asia Summit
EIF	Education Investment Fund
ELP	English language proficiency
ERA	Excellence in Research for Australia
FTE	Full-time equivalent
FWO	Fair Work Ombudsman
G20	Group of Twenty
HDR	Higher degree by research
HECG	Higher Education Continuity Guarantee
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Program

HEPPP	Higher Education Participation and Partnerships Program
HERDC	Higher Education Research Data Collection
IAT	Institute of Applied Technology
ICL	Income contingent loan
IRLSAF	Indigenous, Regional and Low SES Attainment Fund
JRG	Job-ready Graduates
JSA	Jobs and Skills Australia
Low SES	Low socio-economic status
LTBR	Long-Term Bond Rate
NCP	National Credentials Platform
NCRIS	National Collaborative Research Infrastructure Strategy
NETM	New Education and Training Model
NHMRC	National Health and Medical Research Council
NPILF	National Priorities and Industry Linkage Fund
NRU	National Regional University
NSRA	National School Reform Agreement
NUHEPs	Non-university higher education providers
OECD	Organisation for Economic Co-operation and Development
OLT	Office for Learning and Teaching
PCS	Provider Category Standards
PSWR	Post-study work rights
QILT	Quality Indicators for Learning and Teaching
R&D	Research and development
RPL	Recognition of prior learning
RUCs	Regional University Centres
SES	Student Experience Survey
SME	Small and medium-sized enterprises

SRS	Schooling Resource Standard
SSAF	Student Services and Amenities Fee
STEM	Science, technology, engineering and mathematics
TAFE	Technical and Further Education
TEQSA	Tertiary Education Quality and Standards Agency
UNESCO	United Nations Educational, Scientific and Cultural Organization
VET	Vocational education and training
WIL	Work Integrated Learning
WPI	Wage Price Index

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000046

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - data

Question

Can you please provide the data you collected on the following:
a) the number of applications received from Indigenous students at each university broken
down by metropolitan, regional, rural and remote students;
b) the number of offers made to Indigenous students at each university broken down by
metropolitan, regional, rural and remote students;
c) the number of acceptances by Indigenous students at each university broken down by
metropolitan, regional, rural and remote students?

Answer

a) Please refer to IQ23-000080.
b) Please refer to IQ23-000081.
c) Please refer to IQ23-000082.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000047

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - statistics

Question

a) What evidence did you collect to help you form the position that Commonwealth Supported Places should be uncapped for all students with Indigenous status? Please provide all data and evidence used to formulate this position.

b) How many Indigenous students are enrolled at a university (Table A, B, C and private providers) as:
- Commonwealth Supported Place. Please provide a breakdown of these students by metro/rural/regional and remote status. Please also provide the data broken down by Table A, B, C universities and private providers.
- a full fee-paying student? Can you please provide a breakdown by metro/rural/regional and remote status of the students? Please also provide the data broken down by Table A, B, C universities and private providers.

c) The completion rates for Indigenous students have historically been low compared to that of other students. What elements have you recommended be included in the student support policy to improve completion rates for Indigenous students?

d) Please provide the specific elements you and the University Accord Panel have recommended to improve Indigenous completion rates.

e) Please provide the date each of these specific elements were recommended and to whom you or the University Accord Panel made these recommendations.

f) Please provide copies of all correspondence sent to or received by the Minister for Education, his office or the Department of Education with respect to the uncapping of Indigenous places. This includes informal correspondence such as emails and whatsapp messages.

Answer

a) The Australian Universities Accord Panel (the panel) heard through stakeholder consultations and submissions all First Nations students should be eligible for a funded place at university, regardless of location. The submissions the panel considered in formulating their recommendations are publicly available on the Department's website at education.gov.au/australian-universities-accord.

Please refer to IQ23-000064.

b) The Department collects data on the number of First Nations student enrolments in the Higher Education student data collection.

    i. For domestic onshore First Nations student enrolments in Commonwealth Supported Places listed by metro, regional and remote status and provider category, please refer to Table 1.

    ii. For domestic onshore First Nations student enrolments in full fee-paying places listed by metro, regional and remote status and provider category, please refer to Table 2.

General Note
- The Higher Education student data collection encompasses enrolments, equivalent full time student load (unit of study data) and completions and is reported by all Higher Education Providers.
- Data has been rounded to the nearest whole number.
- The definitions of Metro, regional and remote/very remote are consistent with the Applications and Offers data provided in IQ23-000046.
- Providers with 0 across Metro, regional and remote have been removed from the table.
- There are no CSP enrolments at Table B universities in 2021 and Table B providers have been removed.
- Excelsia College has a total of < 5 with 0 in each category due to rounding.
- University Applications, Offers and Acceptances Data are derived from the University application and offer data collection. Student enrolment and completion data is sourced from the Higher Education data collection which encompasses enrolments, equivalent full time student load (unit of study data) and completions and is reported by all Higher Education Providers. Number of acceptances and enrolments do not match. This is a known difference in the nature of data and is not a quality issue.

c) The Accord Panel is continuing to discuss how best to support First Nations students to ensure their success.

d) As per c).

e) As per c).

f) Please refer to QoN IQ23-000058.

Table 1: Commonwealth Supported Places for First Nations domestic students, 2021

		2021			
		Commonwealth Supported Places			
		Metro	Regional	Remote	Total (including unknown)
Table A Providers	Australian Catholic University	360	126	13	499
	CQUniversity	104	717	52	873
	Charles Darwin University	197	554	204	960
	Charles Sturt University	317	712	30	1,058
	Curtin University	414	123	80	617
	Deakin University	294	229	48	572
	Edith Cowan University	249	69	21	340
	Federation University Australia	33	92	0	125
	Flinders University	215	73	28	316
	Griffith University	772	211	27	1,016
	James Cook University	29	599	82	710
	La Trobe University	100	140	< 5	246
	Macquarie University	293	71	14	379
	Monash University	173	87	5	266
	Murdoch University	253	33	20	308
	Queensland University of Technology	683	129	30	844
	RMIT University	128	38	< 5	168
	Southern Cross University	249	334	8	591
	Swinburne University of Technology	247	145	12	409
	The Australian National University	85	29	< 5	117
	The University of Adelaide	188	46	13	247
	The University of Melbourne	240	135	15	391
	The University of New England	327	538	39	905
	The University of Newcastle	894	382	< 5	1,280
	The University of Notre Dame Australia	130	19	11	160
	The University of Queensland	284	109	17	411
	The University of Sydney	276	122	11	409
	The University of Western Australia	152	43	70	267
	University of Canberra	218	99	< 5	320
	University of New South Wales	255	90	6	352
	University of South Australia	341	162	69	572
	University of Southern Queensland	360	427	36	825
	University of Tasmania	138	646	15	799
	University of Technology Sydney	193	36	10	239
	University of Wollongong	329	253	< 5	587
	University of the Sunshine Coast	427	161	< 5	594
	Victoria University	132	34	< 5	166
	Western Sydney University	680	107	6	792
	Total	**10,760**	**7,920**	**1,018**	**19,730**
Private Providers	Academy of Information Technology	< 5	< 5	0	5
	Alphacrucis College	< 5	< 5	0	< 5
	Australian College of Nursing Ltd	< 5	< 5	0	< 5
	Avondale University	13	< 5	0	16
	Box Hill Institute	< 5	< 5	0	< 5
	Chisholm Institute	< 5	< 5	0	< 5
	Christian Heritage College	7	< 5	0	7
	Endeavour College of Natural Health	6	< 5	< 5	11
	Engineering Institute of Technology Pty Ltd	< 5	0	0	< 5
	Excelsia College	0	0	0	< 5
	Holmesglen Institute of TAFE	< 5	0	0	< 5
	Morling College	0	< 5	0	< 5
	Northern Melbourne Institute of TAFE	< 5	0	0	< 5
	SAE Institute Pty Ltd	< 5	0	0	< 5
	Total	**41**	**10**	**< 5**	**54**
Grand Total		**10,800**	**7,930**	**1,020**	**19,784**

[1] Remote includes remote and very remote
[2] Data are rounded to the nearest whole number
[3] Total includes students unable to be coded to a remoteness code due to insufficient address information
[4] Remoteness is based on 2016 ASGS
[5] Domestic onshore students

Table 2: Full fee-paying First Nations domestic students, 2021

		2021			
		Full-fee-paying			
		Metro	Regional	Remote	Total (including unknown)
Table A Providers	Australian Catholic University	41	13	< 5	55
	Batchelor Institute of Indigenous Tertiary Education	0	< 5	< 5	< 5
	CQUniversity	22	52	14	88
	Charles Darwin University	< 5	5	< 5	10
	Charles Sturt University	171	105	9	285
	Curtin University	22	< 5	< 5	29
	Deakin University	62	47	8	117
	Edith Cowan University	35	18	6	59
	Federation University Australia	0	< 5	< 5	5
	Flinders University	17	18	6	41
	Griffith University	91	49	7	148
	James Cook University	19	66	< 5	90
	La Trobe University	15	11	< 5	26
	Macquarie University	42	21	< 5	65
	Monash University	42	15	< 5	60
	Murdoch University	17	< 5	0	20
	Queensland University of Technology	140	53	< 5	199
	RMIT University	43	12	< 5	56
	Southern Cross University	30	26	< 5	61
	Swinburne University of Technology	21	7	< 5	31
	The Australian National University	59	19	< 5	81
	The University of Adelaide	26	9	0	36
	The University of Melbourne	58	22	< 5	85
	The University of New England	21	25	< 5	48
	The University of Newcastle	58	18	0	76
	The University of Notre Dame Australia	10	< 5	< 5	14
	The University of Queensland	42	7	< 5	50
	The University of Sydney	39	9	< 5	49
	The University of Western Australia	12	< 5	0	14
	University of Canberra	11	< 5	0	13
	University of New South Wales	93	33	< 5	129
	University of South Australia	11	< 5	0	13
	University of Southern Queensland	25	25	< 5	54
	University of Tasmania	< 5	10	< 5	14
	University of Technology Sydney	44	8	< 5	56
	University of Wollongong	9	12	0	23
	University of the Sunshine Coast	8	< 5	0	11
	Victoria University	17	5	0	22
	Western Sydney University	19	< 5	0	20
	Total	**1,396**	**748**	**97**	**2,255**
Table B Providers	Bond University	63	27	< 5	95
	Torrens University Australia	156	83	8	276
	University of Divinity	< 5	< 5	0	9
	Total	**225**	**113**	**12**	**380**
	Academy of Information Technology	9	< 5	0	12
	Adelaide Central School of Art	< 5	0	0	< 5
	Adelaide College of Divinity	0	0	0	< 5
	Alphacrucis College	26	25	< 5	54
	Australasian College of Health and Wellness	< 5	< 5	0	13
	Australian Academy of Music and Performing Arts	< 5	< 5	0	7
	Australian College of Applied Psychology	82	46	< 5	130
	Australian College of Nursing Ltd	24	18	< 5	42
	Australian College of Theology	7	< 5	< 5	17
	Australian Film, Television and Radio School	10	< 5	0	23
	Australian Institute of Business	16	14	< 5	51

Australian Institute of Management Education & Training	< 5	< 5	< 5	40
Australian Institute of Music	< 5	0	0	13
Australian Institute of Professional Counsellors	< 5	< 5	0	9
Avondale University	9	< 5	0	13
Box Hill Institute	< 5	0	0	< 5
Campion College	0	< 5	0	< 5
Chisholm Institute	< 5	< 5	0	< 5
Christian Heritage College	8	< 5	0	11
Collarts	8	< 5	< 5	19
Curtin College	< 5	0	0	< 5
Endeavour College of Natural Health	45	21	< 5	69
Engineering Institute of Technology Pty Ltd	0	< 5	0	< 5
Excelsia College	0	0	0	< 5
Griffith College	24	6	< 5	33
Health Education & Training Institute	< 5	< 5	0	7
ISN Psychology Pty Ltd	0	< 5	0	< 5
Ikon Institute of Australia	5	0	0	5
International College of Hotel Management	< 5	0	0	< 5
International College of Management, Sydney	< 5	< 5	0	< 5
JMC Academy	18	6	< 5	38
Jazz Music Institute	< 5	0	0	< 5
Kaplan Higher Education	19	7	< 5	26
LCI Melbourne	< 5	< 5	< 5	5
Leo Cussen Institute	5	< 5	0	6
MIECAT	< 5	< 5	0	< 5
Macleay College	< 5	< 5	0	< 5
Marcus Oldham College	< 5	< 5	0	< 5
Melbourne Institute of Business and Technology	7	8	0	15
Melbourne Institute of Technology	< 5	< 5	0	< 5
Moore Theological College	0	< 5	< 5	< 5
Morling College	0	0	0	< 5
National Art School	< 5	0	0	< 5
Northern Melbourne Institute of TAFE	< 5	< 5	0	< 5
Perth Bible College	< 5	< 5	0	< 5
Photography Studies College (Melbourne)	< 5	0	0	< 5
SAE Institute Pty Ltd	61	20	< 5	82
South Aust Institute of Business & Technology	< 5	0	0	< 5
Sydney College of Divinity	< 5	< 5	0	7
Sydney Institute of Business and Technology	< 5	< 5	0	< 5
Sydney Institute of Traditional Chinese Medicine	< 5	0	0	< 5
TAFE NSW	30	17	< 5	49
TAFE Queensland	< 5	0	0	< 5
TAFE SA	< 5	0	0	< 5
Tabor Adelaide	< 5	< 5	< 5	< 5
Tabor College NSW	0	0	0	< 5
The Australian College of Physical Education	7	< 5	< 5	15
The Australian Institute of Theological Education	< 5	< 5	0	7
The Cairnmillar Institute	< 5	0	0	< 5
The College of Law	56	14	< 5	71
The National Institute of Dramatic Art	6	< 5	< 5	12
The Performing Arts Conservatory	< 5	0	0	< 5
Think: Colleges Pty Ltd	< 5	< 5	0	< 5
UTS:INSEARCH	10	< 5	0	11
VIT (Victorian Institute of Technology)	0	< 5	0	< 5

	Whitehouse Institute of Design; Australia	< 5	< 5	0	7
	Total	565	259	21	981
Grand Total		2,186	1,120	130	3,616

[1] Remote includes remote and very remote

[2] Data are rounded to the nearest whole number

[3] Total includes students unable to be coded to a remoteness code due to insufficient address information

[4] Remoteness is based on 2016 ASGS

[5] Domestic onshore students

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000048

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - Extension of uncapped places for Indigenous students

Question

What was the reason the University Accord Panel supported the extension of uncapped places for Indigenous students to Table A providers only, rather than all providers?

Answer

Supporting uncapped places for Aboriginal and Torres Strait Islander students from metropolitan areas only to Table A providers is consistent with existing measure applied to Aboriginal and Torres Strait Islander students from regional and remote areas.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000049

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - Basis for not supporting the uncapping of places for Indigenous students for medical Commonwealth Supported Places

Question

Please explain the basis for the University Accord Panel not supporting the uncapping of places for Indigenous students for medical Commonwealth Supported Places.

Answer

The Australian Government regulates domestic places in medicine to manage clinical training capacity and projected workforce requirements.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000050

Senator Sarah Henderson provided in writing.

50 per cent pass rule - data provided to the University Accord Panel

Question

a) The 50 per cent pass rule came into effect on 1 January 2022. What data was provided to the University Accord Panel and by whom to formulate your position to recommend the removal of this rule?
b) Please provide a copy of all data provided to the University Accord Panel on the 50 per cent pass rule.

Answer

The Australian Universities Accord Panel (the panel) heard through stakeholder consultations and submissions that the 50 per cent pass rule, as applied under the Job-ready Graduates package, was a source of concern and a matter for urgent consideration by the Panel.

Sixteen submissions to the Universities Accord Discussion Paper referenced the 50 per cent pass rate rule, many highlighting the disproportionate negative effect it was having on students from equity backgrounds.

Submissions are available at: https://www.education.gov.au/australian-universities-accord/accord-consultations.

The panel requested the secretariat source data on this issue. The secretariat approached Universities Australia to provide data from their members on the number and cohorts of students most affected by the 50 per cent pass rule. Universities Australia provided data showing preliminary evidence of substantive problems. The data was provided in confidence with a request that it not be shared beyond the panel and secretariat. Further questions should be directed to Universities Australia or individual universities.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000051

Senator Sarah Henderson provided in writing.

50 per cent pass rule - data and information used by the University Accord Panel to form their position

Question

The University Accord Interim Report noted the 50 per cent pass rule was "penalising equity groups through its unfair and unnecessary 50% pass rule" and that the rule "disproportionately disadvantages students from equity backgrounds". Please provide all data and information the University Accord Panel used to form this position.

Answer

Please refer to IQ23-000050.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000052

Senator Sarah Henderson provided in writing.

50 per cent pass rule - Determination

Question

Who makes a determination as to whether a student is granted an exemption from the 50 per
cent pass rule?

Answer

Sections 36-13(2)(b) and 36-13(3) of the *Higher Education Support Act 2003* (HESA) state
that a provider is responsible for granting special circumstances in relation to a student.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000053

Senator Sarah Henderson provided in writing.

50 per cent pass rule - Number of students impacted by the 50 per cent pass rule in 2022

Question

Please provide the number of students impacted by the 50 per cent pass rule in the calendar year 2022, broken down by university and equity cohort.

Answer

There are no legislated reporting requirements specifically relating to the 50 per cent pass rule.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000054

Senator Sarah Henderson provided in writing.

50 per cent pass rule - number of students who applied for an exemption in 2022

Question

Please provide the data on the number of students who applied for an exemption in the
calendar year 2022, broken down by university and equity cohort.

Answer

There are no legislated reporting requirements specifically relating to the 50 per cent pass
rule.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000055

Senator Sarah Henderson provided in writing.

50 per cent pass rule - number of students who were granted an exemption in 2022

Question

Please provide the data on the number of students who were granted an exemption and under what category in the calendar year 2022, broken down by university and equity cohort.

Answer

There are no legislated reporting requirements specifically relating to the 50 per cent pass rule.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000056

Senator Sarah Henderson provided in writing.

***50 per cent pass rule - number of students who were not granted an exemption and
the reason for refusal in 2022***

Question

Please provide the data on the number of students who were not granted an exemption and
the reason for refusal in the calendar year 2022, broken down by university and equity
cohort.

Answer

There are no legislated reporting requirements specifically relating to the 50 per cent pass
rule.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000057

Senator Sarah Henderson provided in writing.

50 per cent pass rule - protections for students

Question

The 50 per cent pass rule was introduced to protect students from accruing massive HECS debts under circumstances where it's highly likely that a student will not complete their course, safeguarding students from racking up a massive HECS debts without any university qualification to show for it. What protections for students did the University Accord Panel recommend in place of this rule?

Answer

Priority Action 2 of the Australian Universities Accord Panel's Interim Report recommended the removal of the 50 per cent pass rate requirement, and enhanced reporting on student progress to increase the focus on improving the success rates of at-risk students.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000058

Senator Sarah Henderson provided in writing.

Correspondence with the Department of Education - data

Question

Please provide all correspondence between yourself and the University Accord Panel with the Department in relation to any data relied upon to make the University Accord Interim Report recommendations.

Answer

Please refer to IQ23-000045.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000059

Senator Sarah Henderson provided in writing.

Correspondence with the Department of Education

Question

Please provide all records of any and all recommendations, suggestions, advice, or correspondence given to it by the Department, including minutes of meetings, briefings, and any other communications.

Answer

Please refer to IQ23-000045.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 01 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000060

Senator Sarah Henderson provided in writing.

Correspondence with the Department of Education - summaries of submissions and recommendations

Question

In your evidence to the Senate Inquiry Hearing on 1 September 2023 you advised the Department had provided yourself and the University Accord Panel with summaries of submissions and recommendations.
a) How many summaries of submissions has the Department provided to the Panel?
a) How much work has the Panel delegated to the Department?
b) What was the nature of this work?
c) On how many occasions has the Department assisted the panel in the preparation of material relevant to the interim or final report?
d) Please provide a copy of all summaries provided to the University Accord Panel or individual members of the Panel.

Answer

a) Submissions on the Terms of Reference: 1 overall summary.
Submissions on the Discussion Paper: 127 summaries.
The department also engaged Nous Group to produce a thematic analysis of all submissions received to the Discussion Paper. This report was provided to the Panel and is published on the department's website: www.education.gov.au/australian-universities-accord/consultations/consultation-discussion-paper

b-c) A dedicated team in the department provides secretariat services to the panel and its members.

d) The Nous Group report containing a thematic analysis of all submissions is published on the department's website – see answer to (a). Releasing internal summaries prepared by the secretariat to the panel would interfere with the deliberative process of the panel.

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000062

Senator Sarah Henderson on 08 September 2023, Proof Hansard page 53

50 per cent pass rule - instructions and policies issued to providers

Question

Senator HENDERSON: We've heard some concerns this morning. We've raised concerns
about the inadequate nature of the university survey, which does not provide all relevant data
in relation to this 50 per cent pass rule. On notice, could you please provide all of that detail,
including the instructions and the policies issued to providers. We're also seeking not just
those who have been impacted by the rule but both those who have sought an exemption
and not obtained it and those who have obtained an exemption and what basis.
Ms Pearce: I am pretty sure, but we will definitely check and take that on notice, that some of
the information you're asking for is held by the university, not by us, because it's the
university that grants the special circumstances. So we would need to actually gather that
information from the universities.
Mr Coburn: I'll just add to that. We certainly don't collect information on applications that are
not approved.
Senator HENDERSON: All right. If you could please gather that information and provide it to
the committee, we would be most grateful. Are you able to provide the committee with the
data that you've received and analysed to inform your position on abolishing the 50 per cent
pass rule, including the source of the data and whether this is publicly available?
Mr Rimmer: I think the committee's had evidence on this from a number of sources. Just on
the previous question, we'll make every endeavour to see whether that data is accessible
and whether we can find. I'm not sure we can commit to providing it to you in the exact
format that you've requested, because it really is data that doesn't belong to us. It lives with
individual institutions. I'm not even sure that they collect it in a central way. But we will take it
on notice, and we understand the intent of the question and will try to be as helpful as we
can. In relation to the data about the current operation, the way our data systems work is that
a lot of our data is confirmed in a lagging way. Data about 2022 enrolments is only available
to us in a final, formalised and auditable kind of way at the tail end of 2023. Obviously, the
first time that this rule—

Answer

The *Higher Education Support Act 2003* (HESA) does not provide an exemption from the
rule. However, if a student is approved by their higher education provider (HEP) for "special
circumstances" in respect of one or more units of study, then those units do not count
towards the 50 per cent pass rule.
Special circumstances can be approved by a HEP in respect of a unit or units of study if,
among other things, a student is unable to complete those units due to circumstances arising
during study and beyond their control.

The department does not collect data on applications considered but not approved by HEPs.

Verified 2022 student data is not yet available to answer the question on special
circumstances approved.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000063

Senator Sarah Henderson on 08 September 2023, Proof Hansard page 54

Correspondence between the department and Universities Australia in relation to their survey

Question

Senator HENDERSON: With respect, I'm asking the questions of the department, not of the accord panel. Could I ask you to provide on notice the correspondence between yourselves and Universities Australia in relation to that survey. But certainly there have been concerns raised today about the reliability of that data. If you could take that on notice, Mr Rimmer, I'd be most grateful.
Mr Rimmer: I'm very happy to look into that.

Answer

Please refer to IQ23-000050.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000064

Senator Sarah Henderson on 08 September 2023, Proof Hansard page 55

Uncapping Indigenous CSP - evidence and data used for recommendation to uncap places

Question

Senator HENDERSON: ... I want to move to Indigenous Commonwealth supported places and the uncapping of metropolitan Indigenous places proposed by the government. This extends the coalition's decision to uncap Indigenous regional, rural and remote places. What evidence and data were your recommendation to uncap these places based on?
Mr Rimmer: As you're aware, the higher education system operated in what was effectively an uncapped demand-driven way between approximately 2009 and 2017. During that period, First Nations' undergraduate commencements grew significantly. At the time, commencements increased by 95 per cent for First Nations students compared with all undergraduate students at 42 per cent. Effectively, First Nations enrolments grew at double the rate of all enrolments.
When the demand-driven system finished in roughly 2017, the growth in First Nations students reduced significantly. There was a little bit of growth, but it did reduce significantly. The anecdotal evidence—and I think that, at best, it's probably only anecdotal at the moment—is that the operation of the regional and remote initiative also had an impact in terms of—
Senator HENDERSON: Mr Rimmer, I understand that it's a bit difficult to provide all the facts and figures in this context, but could you do so on notice so that we can understand precisely the changes that have occurred as a result of that change from the demand-driven system?
Mr Rimmer: Certainly.

Answer

The demand-driven system operated between 2009 and 2017. During that period, commencing First Nations student numbers increased by 95 per cent from 3,006 to 5,867. During the same period, the number of commencing domestic undergraduate students increased by 42 per cent from 202,229 to 286,412. When the demand-driven system ceased from 2017, the growth of First Nations student numbers plateaued, with 5,867 students in 2017 and 5,801 in 2018, a decrease of 1 per cent.

Demand driven funding for First Nations students from regional and remote areas in their bachelor course study (excluding medicine) at Table A universities was implemented in 2021. Since the introduction of demand-driven funding for First Nations students in regional and remote areas, their participation in higher education has increased Australia-wide.

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000065

Senator Sarah Henderson on 08 September 2023, Proof Hansard page 60

Correspondence with the Universities Accord

Question

Senator HENDERSON: We had some evidence last week from Professor O'Kane, making it clear that the department had provided to the Universities Accord suggestions as to what should be in the accord's consideration and, perhaps, in the interim report. On notice—and I've asked the same of Professor O'Kane—could you please provide to the committee the materials or correspondence whereby the department has made suggestions or provided other advice or briefings to the accord taskforce so that we can understand the extent to which the minister and the department are—I'll use this phrase—sticking their bib in on the so-called independent accord process.

Mr Rimmer: We're very happy to take what you've asked on notice, but perhaps I can just say that I'm a member of the accord panel, as was the secretary when he was in my role. So, there is a formal role for the department in the Universities Accord Panel. My experience of the panel over the past five months or so, since I've been in this role, is that they are acquitting their task with a very high degree of independence and robustness—

Answer

Please refer to IQ23-000045.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000065

Senator Sarah Henderson on 08 September 2023, Proof Hansard page 60

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Senator HENDERSON: We had some evidence last week from Professor O'Kane, making it clear that the department had provided to the Universities Accord suggestions as to what should be in the accord's consideration and, perhaps, in the interim report. On notice—and I've asked the same of Professor O'Kane—could you please provide to the committee the materials or correspondence whereby the department has made suggestions or provided other advice or briefings to the accord taskforce so that we can understand the extent to which the minister and the department are—I'll use this phrase—sticking their bib in on the so-called independent accord process.
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Answer

Please refer to IQ23-000045.

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000066

Senator Sarah Henderson on 08 September 2023, Proof Hansard page 62

Draft copies of the interim report and submissions made by the department or the Minister

Question

Senator HENDERSON: Just on that, can I also ask for draft copies of the interim report, including any submissions that the department or the minister has made on any draft interim report before it was actually released. If we can get that on notice, that would be very much appreciated as well.
Mr Rimmer: Sure

Answer

Releasing every draft of the Interim Report would interfere with the deliberative processes of the panel, undermine the ability of the panel to decide how it formulates and communicates its views, and would constitute an unreasonable diversion of resources at a critical time in the review process.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education Question No. IQ23-000067

Senator Matt O'Sullivan on 08 September 2023, Proof Hansard page 64

TEQSA | Complaints breakdown

Question

Senator O'SULLIVAN: I just want to go to the student support policy. What is TEQSA's current role, including your enforceability ability in investigating complaints from students or staff?
Ms Nieuwenhuis: We have a complaints process. We see complaints as a really useful intelligence-gathering tool for if there is noncompliance within a provider. In receiving a complaint, we will then go to the provider to substantiate or investigate that complaint. If there are issues of compliance with the standards, then we will take the appropriate regulatory action. Depending upon the nature of the noncompliance, that would be anything from an agreed plan of rectification through to the conditions applied on their registration through to, if it's a very serious matter and the provider has not been able to rectify the situation, more substantial compliance, such as deregistration.
Senator O'SULLIVAN: Do you receive many complaints? Can you quantify the number that you receive each year on average?
Ms Quinn: Over all matters? I would have to take that on notice. But we call them 'concerns'. So they can come from students, from the community or from staff. Indeed we pick up a lot through the media as well.
Senator O'SULLIVAN: Can you provide us that breakdown by those categories?
Ms Quinn: That would be really helpful. Do you acknowledge that, if the student has got to that point, where they've now brought you a complaint, they really are at their wits' end?
Ms Nieuwenhuis: Yes, we do acknowledge that. Often when students are at the point they're at, of coming to the regulator, they've most probably exhausted all of the complaints mechanisms within the provider. They may have been to a state ombudsman and so forth.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response:

Over 2020-2022, the average number of concerns received by TEQSA per year was 411. The sources of these concerns are given in the table below:

Source	2020		2021		2022	
	Number of Concerns	%	Number of Concerns	%	Number of Concerns	%
Current staff member	52	9.29%	19	5.72%	18	5.26%
Current student	243	43.39%	182	54.82%	194	56.73%
Former staff member	10	1.79%	11	3.31%	14	4.09%
Former student	55	9.82%	42	12.65%	28	8.19%
Internal Referral/Media	0	0.00%	10	3.01%	31	9.06%
Member of public	24	4.29%	21	6.33%	17	4.97%
Other (including anonymous)	161	28.75%	34	10.24%	40	11.70%
Parent/Guardian	15	2.68%	13	3.92%	0	0.00%
TOTAL	**560**		**332**		**342**	

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education Question No. IQ23-000068

Senator Matt O'Sullivan on 08 September 2023, Proof Hansard page 65

TEQSA | Penalties issued for providers who are found to be non-compliant

Question

Senator O'SULLIVAN: Then what penalties are in place for providers who are found to be non-compliant?
Ms Nieuwenhuis: As I said, it depends upon the level of noncompliance. We have a system that we'll gradate up under the TEQSA act. As I said, it would start with an agreed plan of rectification. A serious matter would mean a set of conditions on their registration. Or we might move to take more detailed action, which may mean deregistration of them as a provider. We do have civil penalties under the act, but they are quite constrained to very particular matters. So our ability to impose a penalty, other than for very specific matters such as contract cheating and so forth, would be where a provider has not complied with the conditions we've set. Then we can impose a civil penalty.
Senator O'SULLIVAN: Have you issued any penalties?
Ms Nieuwenhuis: I am a relatively new commissioner. I don't have that data. We'll have to take that on notice.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response:

TEQSA can only impose administrative sanctions, such as further conditions of registration or the shortening or cancelling of the provider's registration, if a provider has failed to meet the *Higher Education Standards Framework (Threshold Standards) 2021* (Threshold Standards). Similarly, if a provider fails to ensure that an accredited course in relation to the provider meets the Threshold Standards, conditions can be imposed on the course accreditation or the accreditation shortened or cancelled.

TEQSA can neither issue an infringement notice nor seek to have a Court impose a civil penalty by reference only to a provider's failure to meet the Threshold Standards (or its failure to ensure that a relevant course meets the Threshold Standards). TEQSA could only issue an infringement notice or seek to have a Court impose a civil penalty if the failure to meet the Threshold Standards also amounted to a breach of a condition of registration or a contravention of a civil penalty provision in the *Tertiary Education Quality and Standards Agency Act 2011*.

TEQSA has not issued an infringement notice nor sought the imposition of a civil penalty for a breach of the TEQSA Act.

TEQSA's Compliance and enforcement policy can be found here. It sets out the range of compliance and enforcement tools available to TEQSA.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education Question No. IQ23-000069

Senator Matt O'Sullivan on 08 September 2023, Proof Hansard page 68

TEQSA | Meetings with the Minister since Senate Estimates

Question

Senator O'SULLIVAN: My understanding, based on your answers to questions on notice from estimates, is that you hadn't met with the minister in the 13 months prior. Have there been any meetings since? Have you met with the minister now?
Ms Nieuwenhuis: I just need to clarify. On meetings with the minister, we will need to get back to you, because I'm not sure if you're focusing on this particular topic or in general. I'd have to clarify that.
Senator O'SULLIVAN: I'm happy for you to come back with both.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response:

Since June 2022, TEQSA has met with the Minister on four occasions.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023**

Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education Question No. IQ23-000070

Senator Matt O'Sullivan on 08 September 2023, Proof Hansard page 68

TEQSA | Chief commissioner meetings with the Minister

Question

Ms Nieuwenhuis: The chief commissioner has met with the minister. I don't have to hand the
frequency of those meetings. We would need to—
Senator HENDERSON: Could you provide that.
Senator O'SULLIVAN: Yes, if you could just come back to us that would be good. Thanks.

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following
response:

Since June 2022, the Chief Commissioner of TEQSA has met with the Minister on four
occasions.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education Question No. IQ23-000071

Senator Matt O'Sullivan provided in writing.

TEQSA | 50 per cent pass rule - Complaints

Question

a) Did TEQSA receive any complaints from students who had the 50 per cent rule applied to them and lost their CSP as a direct result of that?
b) Could you please provide the number of complaints received and the outcome of any investigations?
c) Could you please provide that data broken down by provider?
d) Did TEQSA overturn any decisions made by providers?
e) Did any of TEQSA's investigations highlight any deficiencies with the implementation of the policy by providers?
f) Did TEQSA issue any corrective or clarification of policy advice to providers to ensure the issue was not systemic?
g) If so, when was this advice issued?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response:

a) No, TEQSA has not.
b) Not applicable
c) Not applicable.
d) Not applicable.
e) Not applicable.
f) No, TEQSA has not.
g) Not applicable.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education Question No. IQ23-000072

Senator Matt O'Sullivan provided in writing.

TEQSA | 50 per cent pass rule - Compliance monitoring

Question

What, if any, compliance monitoring was undertaken against the 50 per cent pass rule? Were any reviews undertaken?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response:

TEQSA has not taken any compliance monitoring against the 50 per cent pass rule. No reviews were undertaken with regards to the 50 per cent pass rule.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023**

Outcome: Tertiary Education Quality and Standards Agency (TEQSA)

Department of Education Question No. IQ23-000072

Senator Matt O'Sullivan provided in writing.

TEQSA | 50 per cent pass rule - Compliance monitoring

Question

What, if any, compliance monitoring was undertaken against the 50 per cent pass rule? Were any reviews undertaken?

Answer

The Tertiary Education Quality and Standards Agency (TEQSA) has provided the following response:

TEQSA has not taken any compliance monitoring against the 50 per cent pass rule. No reviews were undertaken with regards to the 50 per cent pass rule.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000073

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - evidence and data

Question

What evidence and data was your recommendation to uncap Commonwealth Supported Places for metropolitan Indigenous students based on?

Answer

Please refer to IQ23-000047.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000074

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - decisions and modelling

Question

a) On what evidence did you base your proposal that this uncapping of CSP places for Indigenous students should be limited to only Table A providers?

b) If the policy is intended to improve outcomes for Indigenous students, does this not limit their ability to choose the best
provider for their needs?

c) Can you please provide whatever modelling and costing was done to extend the uncapping of places to Table B, C and private providers?

Answer

Please refer to IQ23-000048.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000075

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - medical

Question

a) Why were medical CSPs excluded from the uncapping of Indigenous places?

b) Why did the Department not recommend extending this to include medical places?

c) There is a drastic medical workforce shortage in regional, rural and remote communities. This shortage is further exacerbated when it comes to those experienced in providing Indigenous health care. If the Government is truly committed to improving outcomes for Indigenous Australians – why did the Department not recommend enabling more Indigenous students who meet the entry requirements to be able to study medicine and provide their valuable insight and perspectives on improving Indigenous health outcomes?

Answer

Please refer to IQ23-000049.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000076

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - enrolments

Question

a) In terms of general enrolments, what enrolment changes have you modelled and costed in relation to increased Indigenous enrolments?

b) Can you please provide the modelling for enrolment change forecasts and the funding profile?

c) In the Explanatory Memorandum, the financial impact statement only outlines the cost until the financial year ending 2026-27. Can you please confirm if this change is time limited and will cease at the end of the 2026-27 financial year or is this just the estimate reflected in the forwards?

Answer

a) With regard to the Government response to the Accord Interim report, it is a longstanding practice of successive Governments not to disclose information about the operation and business of the Cabinet and its Committees, including all documents and information provided to aid Cabinet's consideration of New Policy Proposals.

b) It is a longstanding practice of successive Governments not to disclose information about the operation and business of the Cabinet and its Committees, including all documents and information provided to aid Cabinet's consideration of New Policy Proposals.

c) This is an ongoing measure.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000076

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - enrolments

Question

a) In terms of general enrolments, what enrolment changes have you modelled and costed in relation to increased Indigenous enrolments?

b) Can you please provide the modelling for enrolment change forecasts and the funding profile?

c) In the Explanatory Memorandum, the financial impact statement only outlines the cost until the financial year ending 2026-27. Can you please confirm if this change is time limited and will cease at the end of the 2026-27 financial year or is this just the estimate reflected in the forwards?

Answer

a) With regard to the Government response to the Accord Interim report, it is a longstanding practice of successive Governments not to disclose information about the operation and business of the Cabinet and its Committees, including all documents and information provided to aid Cabinet's consideration of New Policy Proposals.

b) It is a longstanding practice of successive Governments not to disclose information about the operation and business of the Cabinet and its Committees, including all documents and information provided to aid Cabinet's consideration of New Policy Proposals.

c) This is an ongoing measure.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000077

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - consultation regarding funding profile changes

Question

Anecdotal feedback from universities and peak groups have stated that they were unaware of any impending changes to their funding profiles. What consultation have you done with universities and peak bodies around Minister Clare's proposal to make a 'one-off' adjustment to the maximum basic grant funding for universities for next year which would then see funding, in the future, coming from the demand driven funding bucket?

Answer

The Australian Universities Accord Panel heard extensively during stakeholder consultations and through submissions processes there was a need to expand demand-driven funding to all First Nations students. Submissions are publicly available on the Department's website at www.education.gov.au/australian-universities-accord.

The First Nations metropolitan demand-driven measure is an extension of the existing 2021 First Nations regional and remote demand-driven measure. The mechanism for the distribution of maximum basic grant funding remains the same as for the existing measure. There is no difference in administration compared to the regional measure, and universities are aware of how it works.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000078

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - completion rates

Question

In terms of completion rates for Indigenous students, they have historically been low compared to that of other students. The four-year completion rates as at 2021 for Indigenous students is only 26.3 per cent compared to overall completion rates of 40.7 per cent. The six-year completion rates for the same period for Indigenous students is 41.3 per cent compared to an overall completion rate of 62.5 per cent. The nine-year completion rate for the same period for Indigenous students is 50 per cent compared to an overall completion rate of 70.5 per cent. Given this data, how did the Department form its position that uncapping Commonwealth Supported Places for metropolitan Indigenous students will improve outcomes for Indigenous students?

Answer

Please refer to IQ23-000047. The Accord Panel is continuing to discuss how best to support First Nations students to ensure their success.

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000079

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - Bachelor Degree completions for Indigenous students

Question

a) In relation to completions and attainments for Indigenous students, could you please provide the data over the last five years on Bachelor Degree completions for Indigenous students in a Commonwealth Supported Place?

b) Could you please provide this data broken down by student location (i.e. metropolitan, regional, rural, remote)?

c) In relation to completions and attainments for Indigenous students, could you please provide the data over the last five years on Bachelor Degree completions for Indigenous students in a full fee paying place?

d) Could you please provide this data broken down by student location (i.e. metropolitan, regional, rural, remote)?

Answer

a) Bachelor degree completions for First Nations students in a Commonwealth Supported Place

	2017	2018	2019	2020	2021
Completions of First Nations students in Commonwealth supported places	1,891	2,124	2,219	2,270	2,574

b) Bachelor degree completions for First Nations students in a Commonwealth Supported Place by student locality

	2017	2018	2019	2020	2021
Metropolitan	1,101	1,140	1,154	1,258	1,383
Regional	704	879	944	909	1,072
Remote	77	83	104	94	np
Unknown	9	22	17	9	< 5

np = not published

c) Bachelor degree completions for First Nations students in a full fee paying place

	2017	2018	2019	2020	2021
Completions of fee-paying First Nations students	581	701	692	727	834

d) Bachelor degree completions for First Nations students in a full fee paying place by student locality

	2017	2018	2019	2020	2021
Metropolitan	372	447	430	459	554
Regional	178	227	216	223	230
Remote	21	21	25	19	29
Unknown	10	6	21	25	20

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000079

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - Bachelor Degree completions for Indigenous students

Question

a) In relation to completions and attainments for Indigenous students, could you please provide the data over the last five years on Bachelor Degree completions for Indigenous students in a Commonwealth Supported Place?

b) Could you please provide this data broken down by student location (i.e. metropolitan, regional, rural, remote)?

c) In relation to completions and attainments for Indigenous students, could you please provide the data over the last five years on Bachelor Degree completions for Indigenous students in a full fee paying place?

d) Could you please provide this data broken down by student location (i.e. metropolitan, regional, rural, remote)?

Answer

a) Bachelor degree completions for First Nations students in a Commonwealth Supported Place

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Completions of First Nations students in Commonwealth supported places	1,891	2,124	2,219	2,270	2,574

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Completions of fee-paying First Nations students	581	701	692	727	834

d) Bachelor degree completions for First Nations students in a full fee paying place by student locality

	2017	**2018**	**2019**	**2020**	**2021**
Metropolitan	372	447	430	459	554
Regional	178	227	216	223	230
Remote	21	21	25	19	29
Unknown	10	6	21	25	20

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000080

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - applications received from Indigenous students

Question

a) Can you please provide the data for the last five years on the number of applications you have received from Indigenous students by university?

b) Can you provide this data broken down by equity cohort?

c) Can you provide this data broken down by metropolitan, regional, rural and remote students?

Answer
The Department receives data on applications, but applications are made to providers. Attachment A provides data for each question.

a) For the number of applications by First Nations students by university, please refer to Table 1, Institution and Region. Please note that:
    a. Data may include decimals because postcodes can be mapped to multiple remoteness categories (e.g. a postcode may be classified as 75 per cent regional and 25 per cent remote).
    b. The sum of Metro, Region & Remote counts may not equal Total counts as it may include data that could not be coded to a Region (i.e. postcode not included at time of application).

b) For a breakdown of the data by equity cohort, please refer to Table 2, Low SES. Please note that:
    a. The 2016 ABS Socio-Economic Indexes for Areas (SEIFA) Index of Education and Occupation is used to identify postcodes nationally as low (bottom 25 per cent of the population), medium (middle 50 per cent) or high (top 25 per cent) socioeconomic status (SES). An estimate of the number of low SES students is made by counting the number of domestic students whose reported postcode of permanent home location is a low SES postcode.
    b. The Equity cohorts reported within this Table are First Nations students by Institution and low SES, as other equity cohorts such as regional/remote are included in Table 1.

c) For data on First Nations students by metropolitan, regional and rural status, please refer to Table 1, Institution and Region.

__General note:__
- The scope of the data includes Undergraduate Commonwealth Supported Places (CSPs) and covers the main university admissions process (for first semester admissions) that runs from April to May each year.
- The data captures applications information, through both Tertiary Admission Centres (TACs), as well as applications made directly to universities.
- The Department of Education has previously released a full report on undergraduate applications and offers in October of each year. Due to a new collection solution (through Services Australia) student applications and offers for 2022 and 2023 are expected to be produced for public reporting by the end of 2023.
- University Applications, Offers and Acceptances Data are derived from the University application and offer data collection. Student enrolment and completion data is sourced from the Higher Education data collection which encompasses enrolments, equivalent full time student load (unit of study data) and completions and is reported by all Higher Education Providers. Number of acceptances and enrolments do not match. This is a known difference in the nature of data and is not a quality issue.

Table 1: Number of applications by First Nations People by Institution and Region, 2017-2021

Institution	2017 Metro	2017 Regional	2017 Remote	2017 Total	2018 Metro	2018 Regional	2018 Remote	2018 Total	2019 Metro	2019 Regional	2019 Remote	2019 Total	2020 Metro	2020 Regional	2020 Remote	2020 Total	2021 Metro	2021 Regional	2021 Remote	2021 Total
James Cook University	<10	267	<60	333	9	229	61	299	9	244	32	285	12	208	37	257	15	213	47	275
Murdoch University	70	14	6	90	77	<20	<5	95	63	12	8	83	68	10	6	85	59	10	8	77
The University of Western Australia	44	14	20	78	42	10	23	75	41	13	18	73	38	9	17	64	<10	<10	<5	19
University of Wollongong	131	90	0	222	135	<95	<5	226	112	99	0	211	<105	108	<5	214	79	74	0	154
Federation University of Australia	14	39	0	53	14	28	0	42	<10	<35	0	40	13	29	0	42	15	22	0	37
Swinburne University of Technology	56	35	5	95	77	<45	<5	127	86	35	5	125	31	<20	<5	51	25	15	0	52
Central Queensland University	34	198	10	241	34	159	11	204	48	232	19	299	57	249	25	331	79	384	27	491
University of Southern Queensland	79	106	11	196	72	110	6	189	79	96	8	184	107	121	7	235	86	89	11	188
Edith Cowan University	102	31	14	148	102	26	13	141	100	28	9	137	89	21	13	124	115	37	12	164
Curtin University of Technology	119	43	41	204	129	40	24	193	141	44	41	227	127	33	68	228	121	41	28	190
University of Canberra	73	<35	<5	106	66	<55	<5	121	88	<60	<5	146	90	<40	<5	129	105	<55	<5	158
Charles Darwin University	41	161	72	281	33	145	56	233	47	176	50	274	71	146	68	284	66	166	65	298
University of Western Sydney	270	69	7	346	203	<45	<5	297	183	<40	<5	222	248	<40	<5	295	333	<40	<5	373
Charles Sturt University	127	331	24	482	122	381	19	522	130	432	28	593	122	461	26	608	132	385	24	541
Australian Catholic University	162	71	5	239	134	52	17	203	136	54	8	199	137	62	13	211	236	87	9	332
Victoria University	71	14	0	87	45	5	0	52	67	14	0	81	49	<20	<5	70	57	13	0	71
The University of Adelaide	73	27	10	110	64	14	5	83	82	22	10	114	85	30	5	120	83	24	8	116
The University of New South Wales	77	41	0	119	80	<35	<5	115	90	<40	<5	130	76	34	5	115	70	34	6	111
The University of Newcastle	310	<135	<5	449	288	<135	<5	425	259	135	5	400	314	<150	<5	464	339	<180	<5	520
University of Technology, Sydney	115	<35	<5	151	98	<25	<5	124	97	25	9	131	99	<30	<5	128	89	22	5	116
The University of Queensland	126	56	10	192	109	55	12	175	123	52	17	192	100	61	10	172	108	67	11	186
La Trobe University	<55	91	<5	145	<65	93	<5	157	<55	80	<5	136	41	76	0	117	35	42	0	77
Macquarie University	91	16	7	115	95	<30	<5	127	74	24	15	113	100	32	7	139	82	32	7	121
University of South Australia	118	41	10	171	125	74	12	210	109	46	13	169	132	98	18	249	134	70	30	235
Flinders University of South Australia	96	42	19	158	71	47	8	126	72	29	14	117	74	42	14	130	86	29	15	130
Deakin University	77	79	10	166	85	79	23	186	93	76	14	183	90	88	11	189	99	60	15	173
Griffith University	260	87	13	361	244	81	17	344	247	123	18	390	250	87	6	344	293	102	14	410
The Australian National University	26	<20	<5	43	22	<10	<5	34	30	<15	<5	41	13	<10	<5	20	27	<10	<5	37
RMIT University	92	<35	<5	128	83	<35	<5	119	79	<25	<5	107	92	<30	<5	124	75	<20	<5	96
Monash University	40	17	0	59	46	<30	<5	72	58	27	0	85	58	<25	<5	85	62	34	0	97
The University of Melbourne	58	<35	<5	96	54	36	5	98	61	43	8	112	64	<40	<5	107	47	33	5	86
Southern Cross University	109	204	8	322	119	191	6	318	107	175	10	293	<150	165	<5	321	<155	175	<5	331
The University of New England	96	167	13	276	91	140	11	242	104	206	5	314	89	164	11	265	76	148	8	231
The University of Sydney	103	<30	<5	136	84	20	0	105	63	<30	<5	90	75	<30	<5	103	93	<35	<5	131
Queensland University of Technology	214	66	13	292	206	63	5	274	214	64	13	291	193	47	7	248	232	60	16	307
University of the Sunshine Coast	78	47	7	132	106	<60	<5	166	84	<50	<5	131	117	<50	<5	166	190	<75	<5	262
The University of Notre Dame Australia	17	<5	<5	21	<15	0	<5	13	32	<10	<5	39	<35	<5	0	36	21	<10	<5	27
University of Tasmania	84	309	8	400	55	298	12	364	52	310	7	369	75	451	17	542	56	356	5	417
Total	**3713**	**3075**	**424**	**7243**	**3489**	**2954**	**381**	**6896**	**3520**	**3187**	**398**	**7126**	**3680**	**3284**	**423**	**7412**	**3980**	**3228**	**403**	**7637**

Notes: Scope of data is domestic, undergraduate, first semester, CSPs Table A universities

Sum of Metro, Region & Remote counts may not equal Total counts as it may include data that could not be coded to a Region (i.e postcode not included at time of application).

To avoid any risk of disseminating identifiable data, a disclosure control technique called data suppression has been utilised. Cells that have values of less than five have been primarily suppressed and annotated as '< 5'. To prevent cells that have been primarily suppressed f...

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Table 2: Applications by First Nations People who are Low SES, by institution 2017-2021

Institution	2017 Count	2018 Count	2019 Count	2020 Count	2021 Count
James Cook University	125	122	98	94	100
Murdoch University	34	36	30	37	30
The University of Western Australia	18	19	22	12	<5
University of Wollongong	93	81	80	86	59
Federation University of Australia	17	15	17	20	8
Swinburne University of Technology	27	35	34	8	6
Central Queensland University	154	118	160	183	294
University of Southern Queensland	95	81	71	93	83
Edith Cowan University	34	35	44	40	54
Curtin University of Technology	62	59	86	71	56
University of Canberra	12	25	24	15	17
Charles Darwin University	81	52	76	81	75
University of Western Sydney	136	115	75	91	120
Charles Sturt University	203	210	224	263	213
Australian Catholic University	62	51	54	59	77
Victoria University	19	8	21	19	14
The University of Adelaide	44	28	38	43	45
The University of New South Wales	31	20	25	19	19
The University of Newcastle	200	166	146	162	208
University of Technology, Sydney	39	29	24	24	9
The University of Queensland	68	72	52	54	60
La Trobe University	60	59	53	42	17
Macquarie University	38	37	35	36	25
University of South Australia	87	99	78	112	98
Flinders University of South Australia	68	60	45	60	47
Deakin University	56	57	45	67	43
Griffith University	111	119	133	122	133
The Australian National University	7	<5	6	<5	<10
RMIT University	26	21	21	24	12
Monash University	15	16	17	13	20
The University of Melbourne	22	21	24	14	13
Southern Cross University	125	123	115	99	114
The University of New England	127	98	130	125	100
The University of Sydney	29	19	21	21	24
Queensland University of Technology	87	85	96	61	75
University of the Sunshine Coast	50	65	64	65	95
The University of Notre Dame Australia	8	<5	8	<5	10
University of Tasmania	199	187	199	258	220
Total	**2669**	**2443**	**2491**	**2593**	**2593**

Note: Scope of data is domestic, undergraduate, first semester, CSPs Table A universities

To avoid any risk of disseminating identifiable data, a disclosure control technique called data suppression has been utilised. Cells that ha

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000081

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - offers made to Indigenous students

Question

a) Can you please provide the data for the last five years on the number of offers made to Indigenous students by university?

b) Can you provide this data broken down by equity cohort?

c) Can you provide this data broken down by metropolitan, regional, rural and remote students?

Answer
Attachment A provides data for each question.

a) For the number of offers for First Nations students by university, please refer to Table 1, Institution and Region. Please note that:
   a. Data may include decimals because postcodes can be mapped to multiple remoteness categories (e.g., a postcode may be classified as 75 per cent regional and 25 per cent remote).
   b. The sum of Metro, Region & Remote counts may not equal Total counts as it may include data that could not be coded to a Region (i.e. postcode not included at time of application).

b) For a breakdown of the data by equity cohort, please refer to Table 2, Low SES. Please note that:
   a. The 2016 ABS Socio-Economic Indexes for Areas (SEIFA) Index of Education and Occupation is used to identify postcodes nationally as low (bottom 25per cent of the population), medium (middle 50 per cent) or high (top 25 per cent) socioeconomic status (SES). An estimate of the number of low SES students is made by counting the number of domestic students whose reported postcode of permanent home location is a low SES postcode.
   b. The Equity cohorts reported within this Table are First Nations students by Institution and low SES, as other equity cohorts such as regional/remote are included in Table 1.

c) For data on First Nations students by metropolitan, regional and rural status, please refer to Table 1, Institution and Region.

General note:

- The scope of the data includes Undergraduate Commonwealth Supported Places (CSPs) and covers the main university admissions process (for first semester admissions) that runs from April to May each year.
- The data captures offers information, through both Tertiary Admission Centres (TACs), as well as directly to universities.
- The Department of Education has previously released a full report on undergraduate applications and offers in October of each year. Due to a new collection solution (through Services Australia) student applications and offers for 2022 and 2023 are expected to be produced for public reporting by the end of 2023.
- University Applications, Offers and Acceptances Data are derived from the University application and offer data collection. Student enrolment and completion data is sourced from the Higher Education data collection which encompasses enrolments, equivalent full time student load (unit of study data) and completions and is reported by all Higher Education Providers. Number of acceptances and enrolments do not match. This is a known difference in the nature of data and is not a quality issue.

Table 1: Number of offers for First Nations People by Institution and Region, 2017-2021

Institution	2017				2018				2019				2020				2021			
	Metro	Regional	Remote	Total	Metro	Regional	Remote	Total	Metro	Regional	Remote	Total	Metro	Regional	Remote	Total	Metro	Regional	Remote	Total
James Cook University	<15	255	<60	321	<10	208	<55	270	6	237	30	273	12	189	29	230	16	207	43	266
Murdoch University	52	13	5	70	62	<20	<5	80	47	10	6	63	52	8	7	67	49	11	7	67
The University of Western Australia	32	11	15	58	29	9	16	54	30	7	12	50	25	5	12	42	<10	<10	<5	19
University of Wollongong	103	75	0	179	88	<85	<5	171	76	75	0	151	71	<70	<5	138	61	56	0	118
Federation University of Australia	11	34	0	45	20	29	0	49	12	30	0	42	9	18	0	27	10	17	0	27
Swinburne University of Technology	47	<35	<5	82	62	<40	<5	104	62	<30	<5	93	26	<15	<5	39	18	9	0	31
Central Queensland University	28	158	9	195	26	132	9	167	39	177	17	233	47	190	21	258	78	332	22	431
University of Southern Queensland	80	97	10	188	65	102	6	173	75	89	8	174	107	112	7	226	82	79	14	177
Edith Cowan University	75	23	8	106	67	17	11	95	58	17	7	82	51	13	7	71	75	17	8	100
Curtin University of Technology	102	42	31	176	106	31	16	153	117	34	34	186	101	29	55	185	86	25	16	127
University of Canberra	60	<35	<5	95	69	<55	<5	127	79	<55	<5	134	77	<40	<5	116	91	<50	<5	140
Charles Darwin University	27	93	42	166	21	92	27	140	22	120	29	171	40	86	46	171	35	122	42	199
University of Western Sydney	207	34	6	247	189	<40	<5	243	165	<40	<5	204	240	36	0	282	328	<45	<5	375
Charles Sturt University	119	289	20	429	94	317	15	426	112	362	21	498	103	389	21	513	114	327	19	460
Australian Catholic University	152	63	5	221	117	36	11	164	123	43	6	172	133	55	12	200	168	61	10	239
Victoria University	61	17	0	79	41	12	0	54	52	13	0	65	46	<15	<5	59	49	<15	<5	63
The University of Adelaide	62	18	8	88	55	12	5	72	65	17	9	91	68	<25	<5	92	53	<15	<5	71
The University of New South Wales	56	27	0	84	58	<25	<5	82	65	<25	<5	90	53	<30	<5	81	46	<25	<5	68
The University of Newcastle	253	<105	<5	359	249	<110	<5	359	214	106	5	326	274	<135	<5	407	277	<150	<5	425
University of Technology, Sydney	83	<30	<5	110	76	<15	<5	93	79	20	8	107	74	<25	<5	99	68	<15	<5	84
The University of Queensland	69	36	7	112	74	<30	<5	105	85	29	9	123	75	37	7	120	61	<45	<5	107
La Trobe University	<45	65	<5	107	41	75	0	116	<35	53	<5	87	27	49	0	76	23	27	0	50
Macquarie University	93	14	5	114	94	<30	<5	125	63	21	15	101	81	29	7	117	73	23	7	103
University of South Australia	59	23	5	87	68	58	11	137	75	31	8	114	65	66	12	143	77	49	25	152
Flinders University of South Australia	63	26	14	103	66	33	6	104	57	18	10	85	59	33	10	102	71	25	11	107
Deakin University	64	70	10	144	78	65	21	164	86	71	15	172	78	80	11	169	70	44	14	128
Griffith University	225	67	7	300	193	69	18	283	227	109	11	348	188	<75	<5	265	214	77	9	301
The Australian National University	19	<15	<5	32	13	<5	<5	17	17	<5	<5	20	<10	<5	0	13	<20	<5	0	18
RMIT University	48	<25	<5	72	52	<30	<5	79	45	<20	<5	63	51	19	0	70	36	<10	<5	46
Monash University	23	12	0	37	31	<20	<5	49	33	<20	<5	52	45	<25	<5	68	51	<35	<5	83
The University of Melbourne	39	<20	<5	60	30	<30	<5	61	46	<30	<5	77	43	<30	<5	76	40	<25	<5	67
Southern Cross University	97	183	7	288	106	167	6	281	96	145	8	250	<125	126	<5	256	113	126	0	239
The University of New England	81	139	10	230	81	128	9	218	<110	200	<5	308	86	156	11	254	72	146	10	227
The University of Sydney	58	<15	<5	72	59	11	0	71	42	<20	<5	62	50	<15	<5	65	60	<20	<5	81
Queensland University of Technology	170	50	6	226	170	58	5	233	166	52	11	228	151	<40	<5	191	190	49	15	254
University of the Sunshine Coast	70	39	5	113	93	<60	<5	156	80	<45	<5	121	118	<50	<5	165	172	<60	<5	232
The University of Notre Dame Australia	10	<5	<5	13	<10	0	<5	11	22	<5	<5	25	<20	<5	0	20	12	0	0	12
University of Tasmania	80	287	8	374	49	272	9	330	43	285	6	334	74	409	16	498	53	335	6	394
Total	**2928**	**2514**	**320**	**5782**	**2810**	**2487**	**290**	**5616**	**2818**	**2634**	**309**	**5775**	**2946**	**2688**	**324**	**5971**	**3113**	**2647**	**315**	**6088**

Note: Scope of data is domestic, undergraduate, first semester, CSPs Table A universities

Sum of Metro, Region & Remote counts may not equal Total counts as it may include data that could not be coded to a Region (i.e postcode not included at time of application).

To avoid any risk of disseminating identifiable data, a disclosure control technique called data suppression has been utilised. Cells that have values of less than five have been primarily suppressed and annotated as '< 5'. To prevent cells that have been primarily suppressed from

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Table 2: Number of offers that were made to Low SES First Nations people, by institution 2017-2021

Institution	2017 Count	2018 Count	2019 Count	2020 Count	2021 Count
James Cook University	120	112	93	83	97
Murdoch University	29	30	23	32	24
The University of Western Australia	7	16	13	10	<5
University of Wollongong	72	64	61	54	45
Federation University of Australia	16	19	17	10	6
Swinburne University of Technology	23	32	28	8	<5
Central Queensland University	124	99	126	147	260
University of Southern Queensland	94	69	70	93	78
Edith Cowan University	26	18	20	28	31
Curtin University of Technology	50	46	72	59	34
University of Canberra	13	25	24	16	19
Charles Darwin University	47	33	41	47	51
University of Western Sydney	90	107	71	83	123
Charles Sturt University	177	174	189	222	171
Australian Catholic University	56	35	44	53	52
Victoria University	14	16	16	15	12
The University of Adelaide	33	22	31	30	28
The University of New South Wales	21	14	14	12	10
The University of Newcastle	151	139	111	144	164
University of Technology, Sydney	32	18	23	17	7
The University of Queensland	34	40	26	32	33
La Trobe University	41	45	37	31	9
Macquarie University	33	37	30	28	20
University of South Australia	43	63	54	68	60
Flinders University of South Australia	44	55	32	46	39
Deakin University	49	46	42	60	30
Griffith University	84	98	115	91	94
The Australian National University	<5	<5	<5	<5	<5
RMIT University	13	13	16	12	8
Monash University	10	10	9	11	18
The University of Melbourne	8	9	8	8	6
Southern Cross University	112	108	96	80	83
The University of New England	102	86	125	119	101
The University of Sydney	13	14	14	13	14
Queensland University of Technology	69	69	77	46	63
University of the Sunshine Coast	41	64	59	62	82
The University of Notre Dame Australia	<10	<5	<5	<5	<5
University of Tasmania	188	174	180	235	206
Total	**2,079**	**2,019**	**2,007**	**2,105**	**2,078**

Note: Scope of data is domestic, undergraduate, first semester, CSPs Table A universities

To avoid any risk of disseminating identifiable data, a disclosure control technique called data suppression has been utilised

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000082

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - acceptances by Indigenous students

Question

a) Can you please provide the data for the last five years on the number of acceptances by Indigenous students by university?

b) Can you provide this data broken down by equity cohort?

c) Can you provide this data broken down by location of the students i.e. metropolitan, regional, rural and remote?

d) Of those applications and acceptances, how many received an offer for a Commonwealth Supported Place?

e) Can you provide this data broken down by provider, equity cohort and location of the students (i.e. metropolitan, regional, rural, remote)?

f) Of those applications and acceptances who did not receive an offer for a Commonwealth Supported Place, how many still enrolled at university as a full fee-paying student?

g) Can you provide this data broken down by provider, equity cohort and location of the students (i.e. metropolitan, regional, rural, remote)?

Answer
Attachment A provides data for each question.

a) For the number of acceptances by First Nations students by university, please refer to Table 1, Institution and Region. Please note that:
- Data may include decimals because postcodes can be mapped to multiple remoteness categories (e.g., a postcode may be classified as 75 per cent regional and 25 per cent remote).
- The sum of Metro, Region & Remote counts may not equal Total counts as it may include data that could not be coded to a Region (i.e. postcode not included at time of application).

b) For a breakdown of the data by equity cohort, please refer to Table 2, Low SES. Please note that:

- The 2016 ABS Socio-Economic Indexes for Areas (SEIFA) Index of Education and Occupation is used to identify postcodes nationally as low (bottom 25 per cent of the population), medium (middle 50 per cent) or high (top 25 per cent) socioeconomic status (SES). An estimate of the number of low SES students is made by counting the number of domestic students whose reported postcode of permanent home location is a low SES postcode.
- The Equity cohorts reported within this Table are First Nations students by Institution and low SES, other equity cohorts such as regional/remote are included in Table 3.

c) For data on First Nations students by metropolitan, regional and rural status, please refer to Table 1, Institution and Region.

d) As the scope of our data is restricted to First Nations people who accepted an Undergraduate Commonwealth Supported Place (CSPs), the data provided does not contain any information about students who have accepted full fee-paying places. Therefore all students captured in the data presented in the Attachment have accepted a Commonwealth Supported Place.

e) As the scope of the available data is limited to acceptances in relation to Commonwealth Supported places, the response to this question is the same as the response for question c - please refer to Table 3, Low SES and Region.

f) As mentioned in d and e, applications and offers data are restricted to Commonwealth Supported Places. Data on acceptances by full fee paying students are captured within a separate data collection - Student Enrolment data. There are limitations with directly comparing Applications and Offers data with Student Enrolment data.

g) Refer to IQ23-000083 for the information requested.

General note:
- The scope of the data includes Undergraduate Commonwealth Supported Places (CSPs) and covers the main university admissions process (for first semester admissions) that runs from April to May each year.
- The data captures acceptance information, through both Tertiary Admission Centres (TACs), as well as directly to universities.
- The Department of Education has previously released a full report on undergraduate applications and offers in October of each year. Due to a new collection solution (through Services Australia) student applications and offers for 2022 and 2023 are expected to be produced for public reporting by the end of 2023.
- University Applications, Offers and Acceptances Data are derived from the University application and offer data collection. Student enrolment and completion data is sourced from the Higher Education data collection which encompasses enrolments, equivalent full time student load (unit of study data) and completions and is reported by all Higher Education Providers. Number of acceptances and enrolments do not match. This is a known difference in the nature of data and is not a quality issue.

Table 1: Number of acceptances by First Nations People by Institution and Region, 2017-2021

Institution	2017 Metro	Regional	Remote	Total	2018 Metro	Regional	Remote	Total	2019 Metro	Regional	Remote	Total	2020 Metro	Regional	Remote	Total	2021 Metro	Regional	Remote	Total
James Cook University	6	200	36	243	7	166	43	216	<5	192	<25	215	10	152	17	179	13	170	31	213
Murdoch University	45	10	5	60	53	<10	<5	64	44	9	5	58	44	5	6	55	44	9	5	58
The University of Western Australia	24	11	13	48	23	5	13	41	25	5	9	40	23	<5	<15	35	<5	0	<5	<5
University of Wollongong	84	62	0	147	70	<70	<5	136	57	56	0	113	<50	46	<5	92	27	21	0	49
Federation University of Australia	6	23	0	29	12	18	0	30	7	22	0	29	7	15	0	22	10	10	0	20
Swinburne University of Technology	43	<35	<5	77	55	<40	<5	95	60	<30	<5	90	20	<10	<5	30	13	7	0	21
Central Queensland University	24	141	8	173	22	122	8	151	36	167	15	218	35	169	19	223	65	313	21	399
University of Southern Queensland	64	70	6	140	<55	70	<5	128	64	68	7	140	81	79	5	165	65	65	12	145
Edith Cowan University	67	19	6	92	59	15	9	83	48	<15	<5	65	46	9	5	60	69	15	5	89
Curtin University of Technology	93	35	25	154	87	27	14	128	97	28	26	152	92	20	50	162	72	20	9	101
University of Canberra	40	11	0	52	47	<20	<5	70	54	31	0	85	47	20	0	67	54	25	0	79
Charles Darwin University	22	83	42	151	19	81	24	125	18	105	28	152	35	79	43	157	34	111	35	180
University of Western Sydney	150	23	6	179	148	<30	<5	175	112	<25	<5	137	178	26	0	204	198	<25	<5	220
Charles Sturt University	77	160	13	250	52	177	5	233	65	211	9	286	46	145	7	198	60	151	9	220
Australian Catholic University	101	<45	<5	146	93	26	6	126	86	<30	<5	119	93	41	11	144	124	37	6	167
Victoria University	44	9	0	54	37	5	0	43	40	9	0	49	35	<10	<5	43	40	<10	<5	50
The University of Adelaide	56	14	5	75	47	<10	<5	58	57	12	7	76	62	<15	<5	78	49	<10	<5	62
The University of New South Wales	51	17	0	69	50	<15	<5	66	54	<20	<5	73	39	<20	<5	58	38	<20	<5	56
The University of Newcastle	193	<70	<5	263	187	<75	<5	259	172	<75	<5	246	236	<90	<5	323	228	95	0	323
University of Technology, Sydney	64	<30	<5	91	68	<15	<5	85	61	16	7	84	53	<20	<5	73	55	<15	<5	68
The University of Queensland	55	26	5	87	67	<25	<5	93	70	20	6	97	64	26	6	97	53	<40	<5	92
La Trobe University	<30	47	<5	75	30	58	0	88	<30	35	<5	63	21	32	0	54	14	14	0	28
Macquarie University	79	<15	<5	96	80	<25	<5	104	52	13	12	79	66	<25	<5	92	56	<20	<5	76
University of South Australia	44	22	5	71	59	43	8	110	65	<25	<5	91	35	16	5	56	64	38	18	121
Flinders University of South Australia	52	23	13	88	59	27	5	91	52	15	10	77	57	31	9	97	67	22	11	100
Deakin University	53	58	10	121	68	52	20	140	74	58	13	144	69	67	11	146	63	35	13	111
Griffith University	180	<50	<5	230	159	50	13	224	183	78	10	273	132	<55	<5	186	176	53	7	237
The Australian National University	19	<10	<5	28	9	<5	<5	11	12	<5	<5	15	<10	<5	0	7	<15	<5	0	11
RMIT University	41	<20	<5	59	40	<20	<5	59	38	<15	<5	52	45	14	0	59	29	<10	<5	36
Monash University	19	8	0	28	26	<15	<5	39	24	15	0	40	36	<20	<5	54	38	18	0	57
The University of Melbourne	29	<20	<5	47	26	<25	<5	48	40	<25	<5	62	37	<25	<5	61	35	<20	<5	52
Southern Cross University	<75	147	<5	224	80	107	6	195	61	86	7	155	87	<90	<5	178	79	92	0	171
The University of New England	60	97	7	164	50	78	5	134	<80	154	<5	236	60	105	8	174	56	109	9	173
The University of Sydney	51	5	0	56	45	7	0	53	35	11	0	46	43	<15	<5	55	55	<15	<5	69
Queensland University of Technology	152	42	5	199	147	<45	<5	192	143	36	9	188	135	<35	<5	168	171	40	14	225
University of the Sunshine Coast	50	<25	<5	74	77	<35	<5	113	62	<30	<5	88	98	<40	<5	137	139	<45	<5	184
The University of Notre Dame Australia	9	<5	<5	12	<10	0	<5	11	16	<5	<5	18	<15	<5	0	14	10	0	0	10
University of Tasmania	65	231	6	302	36	217	9	262	<35	232	<5	270	57	356	11	425	<50	268	<5	318
Total	**2310**	**1877**	**249**	**4454**	**2256**	**1781**	**229**	**4279**	**2228**	**1948**	**236**	**4421**	**2284**	**1891**	**249**	**4428**	**2419**	**1934**	**234**	**4594**

Notes: Scope of data is domestic, undergraduate, first semester, CSPs Table A universities

Acceptances include only applicants who formally notified the TAC or the university that they accepted an offer.

Sum of Metro, Region & Remote counts may not equal Total counts as it may include data that could not be coded to a Region (i.e postcode not included at time of application).

To avoid any risk of disseminating identifiable data, a disclosure control technique called data suppression has been utilised. Cells that have values of less than five have been primarily suppressed and annotated as '< 5'. To prevent cells that have been primarily suppressed from being calc

Table 2: Number of acceptances by low SES First Nations people, by Institution 2017-2021

Institution	2017 Count	2018 Count	2019 Count	2020 Count	2021 Count
James Cook University	87	90	67	65	76
Murdoch University	26	24	20	27	20
The University of Western Australia	7	16	10	7	0
University of Wollongong	60	52	45	39	19
Federation University of Australia	12	12	12	8	<5
Swinburne University of Technology	23	32	27	5	<5
Central Queensland University	112	91	118	131	247
University of Southern Queensland	71	45	57	69	64
Edith Cowan University	21	15	17	25	27
Curtin University of Technology	42	41	57	50	28
University of Canberra	<5	8	13	8	7
Charles Darwin University	42	29	38	43	46
University of Western Sydney	69	83	49	58	69
Charles Sturt University	99	90	108	90	86
Australian Catholic University	37	26	35	43	29
Victoria University	8	10	11	12	9
The University of Adelaide	25	19	24	25	23
The University of New South Wales	17	10	13	9	7
The University of Newcastle	113	100	82	118	128
University of Technology, Sydney	26	17	19	13	5
The University of Queensland	28	36	23	26	30
La Trobe University	29	36	29	20	<5
Macquarie University	28	32	25	19	13
University of South Australia	34	50	46	27	48
Flinders University of South Australia	34	47	27	43	38
Deakin University	43	39	35	57	28
Griffith University	61	74	90	64	74
The Australian National University	<5	1	<5	0	<5
RMIT University	10	10	13	10	5
Monash University	7	7	8	10	12
The University of Melbourne	6	6	<5	5	<5
Southern Cross University	82	70	63	59	60
The University of New England	72	44	97	79	72
The University of Sydney	8	10	11	12	12
Queensland University of Technology	62	59	59	39	54
University of the Sunshine Coast	25	44	41	54	62
The University of Notre Dame Australia	6	1	<5	0	<5
University of Tasmania	148	147	149	205	165
Total	**1580**	**1523**	**1538**	**1574**	**1563**

Notes: Scope of data is domestic, undergraduate, first semester, CSPs Table A universities

Acceptances include only applicants who formally notified the TAC or the university that they accepted an offer.

To avoid any risk of disseminating identifiable data, a disclosure control technique called data suppression has been utilised.

Table 3: Number of acceptances by Low SES First Nations People by Institution and Region, 2017-2021

Institution	2017 Metro	2017 Regional	2017 Remote	2017 Total	2018 Metro	2018 Regional	2018 Remote	2018 Total	2019 Metro	2019 Regional	2019 Remote	2019 Total	2020 Metro	2020 Regional	2020 Remote	2020 Total	2021 Metro	2021 Regional	2021 Remote	2021 Total
James Cook University	<5	63	<25	87	<5	55	<35	90	0	57	10	67	5	46	14	65	5	50	22	76
Murdoch University	20	<10	<5	26	19	<5	<5	24	14	<5	<5	20	21	<5	<10	27	15	<5	<5	20
The University of Western Australia	<5	<5	<5	7	6	5	5	16	5	<5	<5	10	<5	0	<5	7	0	0	0	0
University of Wollongong	34	26	0	60	27	25	0	52	25	20	0	45	<20	22	<5	39	9	10	0	19
Federation University of Australia	<5	<15	0	12	5	7	0	12	0	12	0	12	<5	<10	0	8	<5	<5	0	<5
Swinburne University of Technology	<10	14	<5	23	<10	21	<5	32	13	<15	<5	27	0	<5	<5	5	0	<5	0	<5
Central Queensland University	<5	103	<10	112	<5	80	<10	91	7	101	10	118	7	109	15	131	16	216	15	247
University of Southern Queensland	<35	34	<5	71	<20	27	<5	45	31	<25	<5	57	<35	34	<5	69	34	<30	<5	64
Edith Cowan University	10	<10	<5	21	8	<10	<5	15	11	<10	<5	17	13	7	5	25	12	<15	<5	27
Curtin University of Technology	20	13	9	42	21	12	8	41	28	13	16	57	22	12	16	50	19	<10	<5	28
University of Canberra	<5	<5	0	<5	<5	<5	<5	8	<5	<15	0	13	<5	<10	0	8	<5	<10	0	7
Charles Darwin University	7	16	19	42	5	16	8	29	7	21	10	38	12	12	19	43	9	25	12	46
University of Western Sydney	57	<10	<5	69	72	10	0	83	39	<10	<5	49	52	6	0	58	59	<10	<5	69
Charles Sturt University	23	67	8	99	<15	72	<5	90	8	95	5	108	<15	75	<5	90	15	63	8	86
Australian Catholic University	21	<20	<5	37	16	10	0	26	20	<15	<5	35	21	17	6	43	<15	14	<5	29
Victoria University	<10	<5	0	8	<10	<5	0	10	<10	<5	0	11	8	<5	<5	12	5	<5	<5	9
The University of Adelaide	15	<10	<5	25	14	<5	<5	19	14	<10	<5	24	19	6	0	25	15	<10	<5	23
The University of New South Wales	11	6	0	17	6	<5	<5	10	<10	7	<5	13	<5	5	<5	9	<5	<10	0	7
The University of Newcastle	74	39	0	113	59	<45	<5	100	40	<45	<5	82	69	<50	<5	118	76	52	0	128
University of Technology, Sydney	13	<15	<5	26	11	6	0	17	12	<5	<5	19	5	8	0	13	<5	<5	0	5
The University of Queensland	<15	14	<5	28	21	<15	<5	36	14	9	0	23	14	<15	<5	26	<15	17	<5	30
La Trobe University	6	23	0	29	5	31	0	36	6	23	0	29	<5	<20	0	20	0	<5	0	<5
Macquarie University	18	<10	<5	28	19	<15	<5	32	<10	<5	12	25	<10	9	<5	19	6	<10	<5	13
University of South Australia	21	<15	<5	34	<20	26	<5	50	29	17	0	46	12	<15	<5	27	20	22	6	48
Flinders University of South Australia	19	<15	<5	34	25	<25	<5	47	17	<10	<5	27	26	<20	<5	43	25	<15	<5	38
Deakin University	11	25	7	43	13	20	6	39	17	<20	<5	35	19	34	5	57	<15	13	<5	28
Griffith University	38	<25	<5	61	42	<35	<5	74	39	46	5	90	38	26	0	64	38	<35	<5	74
The Australian National University	0	<5	0	<5	0	0	<5	<5	0	0	<5	<5	0	0	0	0	<5	0	0	<5
RMIT University	<5	6	<5	10	<5	<10	0	10	<10	<5	0	13	<5	<10	0	10	<5	<5	<5	5
Monash University	<10	<5	0	7	5	<5	<5	7	<5	<10	0	8	<5	<10	0	10	<10	<5	0	12
The University of Melbourne	<5	<5	<5	6	<5	<10	0	6	0	<5	0	<5	<5	<5	0	5	<5	<5	0	<5
Southern Cross University	28	53	<5	82	27	38	5	70	<30	33	<5	63	<25	36	<5	59	19	41	0	60
The University of New England	15	53	<5	72	<15	31	<5	44	<20	76	<5	97	19	55	5	79	14	51	7	72
The University of Sydney	<10	<5	0	8	<10	<5	0	10	<10	<5	0	11	<5	8	<5	12	7	<5	<5	12
Queensland University of Technology	37	<25	<5	62	38	21	0	59	30	24	5	59	22	<20	<5	39	27	20	7	54
University of the Sunshine Coast	<10	16	<5	25	<20	26	<5	44	25	<20	<5	41	27	<30	<5	54	32	<30	<5	62
The University of Notre Dame Australia	<10	0	<5	6	0	0	<5	<5	<5	0	0	<5	0	0	0	0	<5	0	0	<5
University of Tasmania	<20	128	<5	148	5	137	5	147	<10	138	<5	149	13	187	5	205	<10	153	<5	165
Total	**612**	**857**	**116**	**1585**	**583**	**833**	**107**	**1523**	**545**	**891**	**108**	**1544**	**553**	**899**	**122**	**1574**	**542**	**922**	**115**	**1579**

Notes: Scope of data is domestic, undergraduate, first semester, CSPs Table A universities

Acceptances include only applicants who formally notified the TAC or the university that they accepted an offer.

Sum of Metro, Region & Remote counts may not equal Total counts as it may include data that could not be coded to a Region (i.e postcode not included at time of application).

To avoid any risk of disseminating identifiable data, a disclosure control technique called data suppression has been utilised. Cells that have values of less than five have been primarily suppressed and annotated as '< 5'. To prevent cells that have been primarily suppressed fro

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Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000083

Senator Sarah Henderson provided in writing.

Uncapping Indigenous CSP - Indigenous students in a Commonwealth Supported Place

Question

a) In relation to enrolments for Indigenous students, could you please provide the data over the last five years on the number of Indigenous students in a Commonwealth Supported Place?

b) Could you please provide this data broken down by student location (i.e. metropolitan, regional, rural, remote)?

c) In relation to enrolments for Indigenous students, could you please provide the data over the last five years on the number of Indigenous students in a full fee paying place?

d) Could you please provide this data broken down by student location (i.e. metropolitan, regional, rural, remote)?

Answer

a) Commonwealth Supported Places for First Nations students 2017-2021

	2017	2018	2019	2020	2021
First Nations- CSP Enrolments	16,257	16,748	17,546	18,753	19,784

b) Data broken down by student location

	2017	2018	2019	2020	2021
Metropolitan	8,524	8,790	9,154	10,043	10,800
Regional	6,701	6,907	7,258	7,669	7,930
Remote	958	968	1,038	1,015	1,020

c) First Nations students in a full fee paying place 2017-2021

	2017	2018	2019	2020	2021
First Nations- fee-paying enrolments	2,585	2,715	2,972	3,592	3,616

d) Data broken down by student location

	2017	2018	2019	2020	2021
Metropolitan	1,613	1,681	1,735	2,168	2,186
Regional	823	817	983	1,093	1,120
Remote	104	98	107	128	130

General Note

(a) All data are limited to domestic First Nations students only.

(b) Data excludes students where permanent home address is overseas.

(c) Remoteness categories are derived from the 2016 ASGS. Data are based on a student's permanent home address postcode.

(d) Students which could not be coded to remoteness due to insufficient location information are coded as 'Unknown' and included in all totals. Sum of the categories may not be equal to the total.

(e) University Applications, Offers and Acceptances Data are derived from the University application and offer data collection. Student enrolment and completion data is sourced from the Higher Education data collection which encompasses enrolments, equivalent full time student load (unit of study data) and completions and is reported by all Higher Education Providers. Number of acceptances and enrolments do not match. This is a known difference in the nature of data and is not a quality issue.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities
Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000084

Senator Sarah Henderson provided in writing.

Student Support Policy - consultation

Question

a) The legislation outlines a student support policy. Whilst the policy intent the Government
has spoken of is intended for all students, it is particularly important for equity cohort
students. Why was there no consultation with student groups or the sector prior to the
legislation entering the Parliament?

b) Did you provide advice to the Minister or his office that consultation should be undertaken
before this was introduced to the Parliament?

Answer

a) In developing the Australian Universities Accord Interim Report, the Accord Panel
    engaged extensively across the higher education sector, with students, staff,
    researchers, industry, businesses, professions and governments to examine a range of
    issues, including the 50 per cent pass rule and increased reporting on student progress.

    The legislation before the Parliament ensures that students at risk of failing their courses
    are identified, and students, particularly equity students, are properly identified and
    supported to study successfully.

    Specific requirements for inclusion in the Support for Students policy and new reporting
    requirements for higher education providers will be set out in the Higher Education
    Provider Guidelines. These requirements will be informed by the consultation the
    Department of Education is currently undertaking with the sector.

b) The Minister for Education decided to consult widely on the Support for Students policy.
    The Department of Education is currently undertaking the consultation process.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000085

Senator Sarah Henderson provided in writing.

50 per cent pass rule - data reporting requirements of providers

Question

a) In relation to the data reporting requirements of providers for this policy, can you please advise of the specific elements universities are required to report?

b) What data points are universities required to report back to the Department in relation to the 50 per cent pass rule?

c) Could you please provide a copy of all instructions and/or policies issued to providers in relation to the provision of data including the elements of and frequency of the provision of data?

d) What is the timing for reports to be submitted to the Department of Education?

e) Which providers were compliant and timely in their provision of data on this policy?

f) Which providers were not compliant and timely in their provision of data on this policy?

Answer

a) There are no legislated reporting requirements specifically relating to the 50 per cent pass rule.

b) See answer to a).

c) N/A

d) N/A

e) N/A

f) N/A

The Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
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Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000086

Senator Sarah Henderson provided in writing.

Student Support Policy - consultation paper

Question

The 'consultation paper' released by the Minister and on the Department's website reads as a replication of the Minister's second reading speech and press release and contains no detail and no draft policy for consultation – just a series of questions to prompt ideas.

a) Does a draft 'policy' exists?

b) Why it was not released as part of the veiled 'consultation process'?

c) Why has not a single stakeholder within the sector or any student groups had access to it?

d) Is the consultation paper a process to develop policy since it provided no actual policy?

Answer

a) The Higher Education Provider Guidelines (the Guidelines) will set out the requirements each higher education provider's support for students policy (the policy) must address. The specific requirements will be set out in the Guidelines. The department invited submissions on the guidelines.
b) See answer to a).
c) See answer to a).
d) See answer to a).

Senate Standing Committees on Education and Employment

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QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000087

Senator Sarah Henderson provided in writing.

50 per cent pass rule - data received and analysed

Question

a) Can you please provide the data you have received and analysed to inform your position on abolishing the 50 per cent pass
rule? Please include the source of the data and whether this is publicly available or not.

b) Does this data set include all universities? Table A, B, C and private providers?

Answer

The recommendation to abolish the 50 per cent rule was made by the Australian Universities Accord Panel. Please refer to IQ23-000050.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000088

Senator Sarah Henderson provided in writing.

50 per cent pass rule - students who lost their CSP

Question

a) The 50 per cent pass rule commenced last year on 1 January 2022, so it has been active for approximately 18 months, or one full enrolment cycle. How many students directly lost their CSP at a university as a result of having the 50 per cent pass rule applied to them in the calendar year 2022?

b) Are you able to provide this data broken down university by university?

c) Could you please also provide this data broken down by equity cohort (i.e. rural/regional/remote status, low SES status, indigenous/non-indigenous etc.)?

d) Do you also have the number of students who directly lost their CSP at a university as a result of having the 50 per cent pass rule applied to them to date in the current 2023 calendar year?

Answer

The department does not collect the reason given for why students cease to be enrolled in a Commonwealth Supported Place. This information is kept by higher education providers.

Senate Standing Committees on Education and Employment

**Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023**

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000089

Senator Sarah Henderson provided in writing.

Student Support Policy - supports

Question

a) What mechanisms have you recommended to the Minister to support students?

b) What ideas have you provided to ensure student debt is not exacerbated by increased non-completions?

c) What additional supports have you recommended to increase course completions, particularly for equity cohorts, starting with
Indigenous students for which places will shortly be uncapped?

d) Have you costed any of these additional supports? Will any additional funding be provided to deliver these additional supports you have recommended?

Answer

a) The Australian Universities Accord Panel recommended removing the pass rate requirements and strengthening reporting and accountability of higher education providers.

b) The Accord Panel continues to consider how best to support student success, especially for equity cohorts. The final report will be provided to Government in December 2023.

c) Please refer to b.

d) Please refer to b.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000090

Senator Sarah Henderson provided in writing.

50 per cent pass rule - student rights and complaints

Question

a) If students are unhappy with a providers determination, what are their appeal rights? Is their appeal reviewed by the Department? The Commonwealth Ombudsman?

b) Are you aware of the number of students who have appealed a provider's determination in relation to their exemption application?

c) Has the Department receive any complaints from students who have directly lost their CSP at a university as a result of having the 50 per cent pass rule applied to them?

d) If you have received any, can you please provide the data on the number of complaints by provider, the equity indicator of the student as well as the action taken by the Department to investigate the complaint?

e) For complaints by students where the Department conducted an investigation, did the intervention by the Department result in the decision to not grant an exemption being overturned? Was the provider found to have made an incorrect assessment?

Answer

a) A student can seek a review from their higher education provider of the decision that special circumstances did not apply in respect to their application in line with providers' complaints processes. If the student is still dissatisfied with the outcome, an application may be made to the Administrative Appeals Tribunal for a review of the reviewable decision.

b) No.

c) The Department has not received any complaints.

d) N/A

e) N/A

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000091

Senator Sarah Henderson provided in writing.

Student Support Policy - compliance

Question

a) The sector and peak student advocacy groups have raised concerns about the compliance management of this policy. For the sector, there will be financial penalties applied under the Crimes Act of 60 penalty units or approximately $16,500. How was this penalty amount determined?

b) Was it just that it aligned with the existing penalty amounts under the Act?

c) There is no detail on how compliance will be managed, can you advise who will be in charge of monitoring and assessing compliance of the policy?

Answer

a) Please refer to the Bill and Explanatory Memorandum, which outlines that civil penalties are proposed to be set out in the *Higher Education Support Act 2003* (HESA) and to be enforceable under the *Regulatory Powers Act 2014*. These are not penalties for criminal offences.

    The HESA provides for civil penalties ranging from 60 to 240 penalty units. The proposed civil penalty was considered reasonable and commensurate with providing a deterrent against detriment to students and proportionate with other civil penalties in HESA.

b) See answer to question a).

c) The Explanatory Memorandum provides information on compliance management. Further information is also available in the publicly available Consultation paper on the 'Support for Students Policy' requirements on the approach to compliance and non-compliance. Detail on the approach to compliance was also provided by departmental witnesses at the hearing on 8 September 2023.

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000092

Senator Sarah Henderson provided in writing.

50 per cent pass rule - student exemptions

Question

a) Are the universities themselves responsible for assessing exemption applications from students?

b) What role does the Department undertake in relation to student exemptions?

c) What policy guidance has the Department issued to providers in assessing and making a determination on an application for an exemption?

d) Could you please provide a copy of all guidance versions since 1 January 2022 that has been issued to universities in assessing exemption applications?

Answer

a) The *Higher Education Support Act 2003* (HESA) does not provide an exemption from the rule. However, if a student is approved by their higher education provider (HEP) for "special circumstances" in respect of one or more units of study, then those units do not count towards the 50 per cent pass rule.

   Higher education providers are responsible for assessing applications for special circumstances.

b) The department may be a party to complaints made to the Administrative Appeals Tribunal, otherwise none.

c) Part 3 of the Higher Education Support (Administration) Guidelines 2022 provide guidance on the application of consideration of special circumstances. https://www.legislation.gov.au/Details/F2022L00344

   The Administrative Information for Providers contains a section on application of special circumstances more generally. https://www.education.gov.au/higher-education-publications/higher-education-administrative-information-providers-october-2021/42-recrediting-remission-and-repayment

d) No additional guidance has been provided beyond that referred to in answer c).

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000093

Senator Sarah Henderson provided in writing.

50 per cent pass rule - granted exemptions

Question

a) How many students who applied for an exemption after having the 50 per cent rule applied to them in the calendar year 2022 were granted an exemption and under what category?

b) Can you provide a breakdown of this data by equity cohort?

c) Can you provide a breakdown of this data by location of the students (i.e. metropolitan, regional, rural, remote)?

d) Can you provide a breakdown of this data by provider?

Answer

See IQ23-0000062.

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000094

Senator Sarah Henderson provided in writing.

50 per cent pass rule - declined exemptions

Question

a) How many students who applied for an exemption after having the 50 per cent rule applied to them in the calendar year 2022 at your university were not granted an exemption and the reason for refusal?

b) Can you provide a breakdown of this data by equity cohort?

c) Can you provide a breakdown of this data by location of the students (i.e. metropolitan, regional, rural, remote)?

d) Can you provide a breakdown of this data by provider?

Answer

Please refer to IQ23-000062.

Senate Standing Committees on Education and Employment

Higher Education Support Amendment (Response to the Australian Universities Accord Interim Report) Bill 2023
QUESTION ON NOTICE
Date of hearing: 08 September 2023

Outcome: Higher Education, Research and International

Department of Education Question No. IQ23-000095

Senator Sarah Henderson provided in writing.

Student Support Policy - student safety, including sexual assault and harassment on campus

Question

a) What specific details are contained in your ghost policy to address student safety, including sexual assault and harassment on campus?

b) What compliance will be undertaken to monitor this?

c) You advised during the hearing that it will be the Department and not TEQSA that will monitor the compliance with the policy. Against what parameters will universities be measured on each of the support policy elements?

d) How regularly will compliance reviews will be undertaken?

e) Could you please advise what parameters will be used to establish that there has been a breach?

f) Could you please advise how compliance penalties will be implemented, including if there will be a warning issued to providers prior to financial penalties being issued?

Answer

a) The specific detail in the Guidelines regarding support for students policies will be finalised after consultation with the higher education sector.

b) The Department will review higher education providers' policies to ensure that they are compliant.

c) Higher education providers will be assessed for compliance against the policy requirements in the Guidelines.

d) Compliance reviews will be ongoing.

e) Adherence to the requirements in the Guidelines will be used to establish whether non-compliance with the policy requirements has occurred.

f) Compliance action will be contingent on the circumstances and severity of the instance of non-compliance.