

## **Response to the Accord Interim Report**

### **Universities Australia (UA) Deputy Vice-Chancellors Academic (DVCA) Executive**

The UA DVCA Executive thanks the Accord Panel for the Interim Report and especially for their serious consideration of the original DVC A submissions. We also appreciated the opportunity to discuss key Accord topics with Professor O’Kane and would welcome further dialogue in the coming weeks.

The Executive have agreed to provide a formal response to the Interim Report which does not repeat the content of the original submissions, focussing instead on three areas from the Interim Report. An Appendix (appendix 1) is included addressing the need for a Learning and Teaching sub-committee, which we fully endorse.

The three areas covered in this response are:

- A) Equity of Access and Achievement
- B) The Skills Challenge
- C) Ideas for a Tertiary Education Commission (TEC).

The UA DVCA Executive also notes the potential for initiatives to lead to additional reporting and accountability requirements. A full national review of university accountability and reporting requirements, to remove duplication and ensure that the regulatory framework for universities supports future success would support a more streamlined way of operating into the future.

#### **A) Equity of Access and Achievement**

We welcome the focus on equitable access to higher education which is fundamental to Australia’s social and economic prosperity and critical to meeting present workforce shortages and future needs. We support the Report’s contention that people from currently under-represented and diverse backgrounds must have the opportunity to participate successfully in higher education irrespective of where they live and their social and cultural backgrounds. It is essential that higher education participation is representative of the Australian population should the sector increase to the degree set out in the Interim Report. The evidence is clear (from NAPLAN data, for example) that equity in access to tertiary education relates to years of educational disadvantage in primary and secondary school. Universities cannot, by themselves, improve access unless action is also taken to improve the attainment of equity students during their schooling so the pipeline of students to the tertiary sector is broadened.

The access problem is compounded by participation and attainment problems once the students are in higher education. These issues can be addressed by appropriate funding for higher education institutions and students. Solutions for institutions should include:

- Mission and place-based agreements that take into account institutional factors such as operating and financial environments, funding available for infrastructure maintenance and investment including digital transformation, cohort characteristics, geographic footprint and campus locations, fields of education taught, and fields of research undertaken. These agreements could be considered as a base-plus model and negotiated via a TEC (if established).
- Revision of the allocation of courses to funding clusters, accompanied by the review of the HELP loan systems currently underway. This returns the system to its original intent of repayments based on future earnings, raising the threshold for repayments, while controlling student and government debt through a fairer indexing process.
- Inclusion of additional administrative funding envelopes to meet the costs of managing mandatory work-based placements and offset fees charged by State agencies for placements.

- Setting a national target for investment in research of 3% of GDP, with an immediate commitment to fund 50% of the indirect costs of research – thus reducing the cross subsidisation from education revenue.

For students, solutions should include:

- National performance benchmarks for specific cohorts with outcomes that recognise intersectional / multiple factors of disadvantage.
- A national system of bursaries to assist students from equity groups offset costs, including work-based placement poverty which disproportionately impacts equity students.
- Accompanying the demand driven places for all Indigenous Australians with a scholarship / universal learning entitlement system to promote progression, retention and completion; without which places will not significantly increase. Targets set should be greater than parity.
- Extending the current equity groups and broadening definitions to include additional markers for first in family students, care leavers and non-school leavers.
- A national collaborative campaign aimed specifically at under-represented cohorts to stimulate demand and improve participation and outcomes of such groups with target setting and funding to be set at the institutional level.

## **B) The Skills Challenge**

Universities play a particularly important and unique role in shaping how lifelong learning and future microcredentials (MC) will fit within a broader qualifications ecosystem to address future skills. We encourage a consideration of the following (further details in appendix 2):

- **Take an Integrated Approach.** The complexity of the challenge outlined in the Accord report suggests that to achieve the significant change necessary, the prioritised recommendations will need to acknowledge and manage the intersections between the many issues raised for consideration. We cannot address the skills gap our society faces unless the barriers to equitable participation in that education ecosystem are also addressed.
- **A new funding model for Learner Support that accommodates MC.** An ecosystem of educational offerings including traditional qualifications from different types of providers, as well as MCs, will require a newly integrated funding scheme to support learners and providers. The Universal Learning Entitlement (ULE) provides the most significant lever for radical transformation in learner support. The 'fund' could also support equity group learners to address access and success challenges. In addition to the core government funding commitment, the 'ULE fund' could encompass employer and industry contributions linked to priority skills.
- **A New model of Provider Funding.** Education Providers in the new ecosystem need access to targeted curriculum development and delivery funding to rapidly meet emergent industry skills and address regional workforce shortages. This requires institutional investment in new staff capability and system infrastructure by providers. For Universities this could be enabled through a combination of the proposed mission-based compacts (for missions that address Skills Gaps) and data driven (JSA) funding for integrated microcredentials development and deployment to support a continuum of capability across a career.
- **A new approach to Employer Engagement.** Employers need to be supported to genuinely collaborate with educators to design and deliver credentials and value education. To enable meaningful access by employees to MC learning, new forms of 'Earner' learning support are required, along with new models for Workplace Learning. A strategy, such as the ISLP which embeds in government contracts, enterprise agreements and public institutions, the requirement for a supported MC learning encompassing WIL could target national priority skills.

Employers also need support to connect aspects of recruitment and advancement of employees to the same Skills classifications that underpin MC systems and standards.

- **Invest in Systems Enablers.** A diversified education ecosystem will only operate effectively and efficiently if it is integrated with appropriate systems that leverage new technologies to manage and curate individual learning experiences and connect Learners with Support, Education and Employment. A step change is possible if AI is leveraged for RPL capability-based assessment for microcredentials, moving the sector towards an at-scale credit recognition system. The current work on multiple versions of a Skills Passport could instead be creating an integrated platform.
- **Invest in work-integrated learning (WIL).** Work-based learning directly links study and careers and creates productive relationships between educators, students and industry partners. Removal of barriers to participation in WIL such as addressing placement poverty and incentivising industry participation will increase participation and benefit.

### **C) Ideas for A Tertiary Education Commission (TEC)**

In recognition that there are mixed views in the sector about a potential TEC, this paper considers the essential focus of a TEC should the proposal proceed. It is not unknown in Australia to have expert commissions advising Government and indeed Australia has had historical examples of a TEC, which can illuminate some of the potential directions now.

Recognising the significant challenge to expand to address the need for 55% of the population by 2050 to possess university qualifications; the need for new skills to address the “fourth” industrial revolution, as well as the “wicked problems” faced by humanity that impact on Australians, the greatest value of a TEC would be in the development of a shared vision and plan for Australian tertiary education which considers the full ecosystem of higher education in Australia. This would include proposals for new funding models to realise the full vision; international education; partnership facilitation across universities, industry, and the vocational/university binary; regional education, as well as how to really shift the dial in equity both in terms of participation and success.

The new systems and Learning Support, Provider Funding and Employer Engagement mechanisms discussed in the previous section require new governance. There is potential for a new TEC to oversight the design of the systems, data infrastructure, and enabling supports. This body would be informed by data (e.g., JSA and Skills Councils input) and oversight the principled application and interpretation of that data in decision making that served a longer-term strategic vision for the Education ecosystem.

Further, there are many aspects of the proposed Accord which will need detailed unpacking through sector wide discussions.

What historical precedents demonstrate is the need for any TEC to have leadership that is drawn from senior sector leaders who bring expertise and understanding of how tertiary education actually works. In recent weeks, by contrast, the Federal Department has opened a short-notice consultation on the proposed Support for Students Policy which it suggests are not onerous, but which outline major new expectations and penalties for providers. It is our view that a TEC could oversee a more collegial and effective strategy for sector consultation on issues such as this.

We do not see value in a TEC which becomes a large bureaucracy, or which replaces the existing functions of the Department in administering funding schemes or the roles of TEQSA in respect of regulatory oversight. Instead, we could see value in a TEC facilitating collaboration between government, industry and universities, provided it does not introduce another layer of formal accountability for the sector.