

Consultation on the University Accord Terms of Reference

Navitas submission
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Submitted on behalf of Navitas by:

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1. Introduction

The Australian Universities Accord will bring a new vision for Australian higher education, setting the scene to realise the goals and aspirations of Australian society, and preparing today's and coming generations of students with the education and skills to lead Australia through the global challenges of the future.

Across all aspects of the Australian community, great opportunity will arise from a higher education system characterised by the strengthened scholarship, knowledge and intellectual inquiry that comes from review and reform of the goals and settings that drive the sector.

Navitas welcomes the opportunity to participate in this initial identification of priorities for the Australian Universities Accord's comprehensive review of Australian higher education and we look forward to participating in a renewed tertiary education sector that:

- Educates and prepares students to be future leaders in Australia and around the world
- Increases the participation and success of students from underrepresented backgrounds, and
- Builds on the success of Australian universities and harnesses the innovation and investment of the private sector.

2. Navitas in Australia

Navitas is Australia's largest higher education company and has significant and diverse operations across the higher education sector. This includes:

- TEQSA registered higher pathway colleges that operate in partnership with Australian universities
- Independent higher education institute SAE Institute and the Australian College of Applied Professions (ACAP)
- Managed campuses and a transnational education (TNE) portfolio supporting the delivery of Australian university education in Australia and three other countries
- A global footprint of partnerships with international universities and colleges
- International higher education delivery in major destination countries including the United Kingdom, Canada, the United States, New Zealand, Singapore, UAE, Germany and the Netherlands
- Navitas staff teams located in offices in 23 countries and a network of 2,300 international education agents.

Navitas welcomes the opportunity to contribute to the work of the University Accord given the critical role that Navitas plays in supporting both the public and independent international and domestic education sectors. The following submission outlines key issues for Navitas in determining the priorities for the University Accord, including key priorities against each of the Terms of Reference that have been set out by Minister Clare.

3. Broad priorities – renewing the Bradley vision in participation rates and private sector engagement

The broad context for the 2023 Universities Accord is renewal of the vision for Australian higher education, last set by the Bradley Review almost 15 years ago. In 2008 Professor Bradley reported a shared sector vision that remains valid today:

‘we must create an outstanding, internationally competitive tertiary education system to meet Australia’s future needs and we must act now if we are to remain competitive with those countries that have already undertaken significant reform and investment’¹

Implementation of the Bradley recommendations brought substantial improvements to Australian higher education in quality outcomes, participation rates, national regulation, and international competitiveness over the last 14 years. Introduction of the single national regulator (TEQSA) has driven a sector characterised today by stability in the provider cohorts, a coherent national standards framework, and a robust quality bar for new entrants.

At the outset, Navitas identifies two broad components of the vision of Professor Bradley that need a renewed focus as a priority for refreshing the 2008 vision to meet the needs of today and the future – the participation rates of students from underrepresented backgrounds and harnessing the capabilities of the private sector.

3.1 Participation of students from underrepresented backgrounds

Minister Clare’s ‘sharp focus’ on equity in the work of the Accord is welcomed. While the Bradley Review target of growing the percentage of young degree-qualified Australian’s has been achieved with 44 percent of 25–34-year-olds having a bachelor’s degree today², increasing the participation levels of under-represented cohorts requires further work and renewed emphasis.

Exploring the reasons why the participation of students from underrepresented backgrounds groups have not reached the targets set in 2008 looms as the critical task of the Universities Accord. Since these targets were set, substantial investment has been made in funding programs to incentivise participation and institutional strategies have included scholarship programs, regional campuses, the development of discrete centres and learning environments and enormous commitment to awareness programs and staff training. Despite the range of genuine commitments to equity participation across the sector, the National Centre for Student Equity in Higher Education (NCSEHE) reports share of enrolments across all equity groups have remained largely static in the period 2013–2019. Equity groups with small increases in enrolment share over the 2013–2019 period include Disability (2.2%), Low SES (1.04%), Indigenous (0.48%) and Women In Non Traditional Areas (WINTA) (0.08%) students while participation by Regional (-1.08%) Remote (-0.04%) and Non-English Speaking Backgrounds (NESB) (-0.08%) student groups declined over the period.³

While the reasons for static participation rates and the strategies to underpin new targets will unfold during the work of the Accord, we suggest that the international data needs to be considered to contextualise the degree to which Australian participation rates compare around the world, along with identification of policy settings and institutional strategies that have driven success in other systems. We also suggest that the Accord consider the Australian strategies that have succeeded in increasing participation in local settings. As part of this we propose the Accord consider whether more direct targeted supports, for example through scholarships, funded places, targeted higher contribution places, or changes to income support, would increase the likelihood of achieving new participation targets.

Navitas was founded in Australia with a vision to deliver the foundation skills that international students need to achieve their aspirations in the learning environments of Australian universities. In 2022 this public-private partnership model has an established track record of supporting students and universities to succeed. Beneficial

¹ *Review of Australian Higher Education Final Report, Australian Government 2008, Chair, Professor Denise Bradley AC, (The Bradley Review) p.ix*

² *The Bradley Oration*, Hon. Jason Clare MP, 2022

³ National Centre for Student Equity in Higher Education national data: <https://www.ncsehe.edu.au/data/national-data/>

student outcomes are driven by smaller class sizes, learner supports and social and cultural events and engagement. Improved student outcomes are realised after students transition into universities in their second year, with comparable or better attrition and completion rates than students that achieve direct entry to university.⁴ In the almost 30 years of Navitas university partnerships, the model has evolved to include pathway supports for domestic students however levels of engagement in pathways and preparatory programs are lower for domestic students than international students. We propose the Accord consider the strengths of the pathways model and how this model might be utilised better in increasing the participation rates and successful academic outcomes for students from underrepresented backgrounds.

- Priority i:** The Universities Accord should review international models that have successfully increased participation in higher education by underrepresented groups that may be successfully adopted in Australia. To complement this the Accord should be informed by best practice approaches of Australian institutions that have achieved higher participation rates through local strategies.
- Priority ii:** In developing strategies to achieve future equity group participation targets, Navitas proposes the Accord consider whether increasing the participation of students from underrepresented backgrounds could be positively stimulated through direct assistance including scholarships, funded places, and income support models.
- Priority iii:** Navitas proposes that the Accord consider the strengths of the pathways model and how this model could be better leveraged to support increased participation and successful outcomes for students from underrepresented backgrounds.

3.2 Harnessing private (independent) sector capability

In 2008 Professor Bradley recognised that the structure of the higher education sector had changed in the decades leading up to the Review, identifying that:

“Higher education has changed dramatically over the last 30 years or so. It once comprised a small number of publicly funded institutions. This is no longer the case. There are now 37 public universities, two private universities and 150 or so other providers of higher education. The public universities derive significant proportions of their income from non-government sources and some private providers receive government subsidies. The public-private divide is no longer a sensible distinction”⁵

The Bradley Review recommended greater public investment to develop a higher education system accessible to all Australian students as critical to achieving participation targets for the general population and underrepresented groups. To meet these targets, the Review panel stated:

“a more deregulated system is necessary. It [the panel] proposes that, in a staged process, access to Commonwealth funds be made available to a wider range of eligible providers.”⁶

This vision of a staged development of a more deregulated system was outlined as a ‘demand-driven entitlement’ in the Bradley Review panel’s recommendation:

That the Australian Government introduce a demand-driven entitlement system for domestic higher education students, in which recognised providers are free to enrol as many eligible students as they wish in eligible higher education courses and receive corresponding government subsidies for those students. The arrangements would:

- *Apply initially to undergraduate courses but then be extended to postgraduate coursework level courses subject to further work on the balance of public and private benefits at that level of study;*
- *Apply initially only to public universities (Table A providers under the Higher Education Support Act 2003), but would be extended to other approved providers when new regulatory arrangements are in place;*
- *Set no time or dollar limit on the value of the entitlement;*

⁴ Data provided to Navitas by an Australian university partners indicate student GPA is higher for students that study a Foundation pathway program and a higher proportion of students achieve a GPA above 3.5.

⁵ *Review of Australian Higher Education Final Report, op. cit. p.xi*

⁶ Ibid p. xiv

- *Allow providers to change the mix of student load by discipline cluster in response to demand; and*
- *Allow the government to exclude a course of study from the demand-driven system if it wished to regulate student or graduate numbers*⁷

The Australian demand driven system fundamentally reformed Australian higher education. Participation increased at a higher rate than envisaged and millions of Australians have enrolled in a university course of their choice, receiving a high-quality education supported by Commonwealth subsidies. Despite the challenges faced by higher education today, this investment in Australian higher education has driven a world class education system and an educated and skilled national workforce.

The 'new regulatory arrangements' have created a stable, high-quality sector. In 2022, provider numbers are largely unchanged from 2008 with the addition of one private university and other changes arising through amendments to TEQSA Category or HESA tables. The number of non-university providers has also remained relatively consistent and comprises approximately 10% of domestic student enrolments.

With the new regulatory arrangements now well established however - more than 10 years after the creation of TEQSA and with three iterations of the Higher Education Standards Framework - the funding arrangements envisaged in 2008 remain largely determined by institution type. Commonwealth Supported Places (CSPs) continue to be the domain of Table A universities (with a few exceptions), varying HELP scheme characteristics are determined by provider type and funding programs targeting equity group participation are in most cases limited to Table A and B providers.

Priority iv: The Universities Accord should review higher education funding arrangements in the context of harnessing the capability of Australia's high quality independent sector. Two key questions for exploration are whether commonwealth subsidies being largely restricted to Table A universities has impacted the achievement of participation targets, and the extent to which an ongoing restriction might limit Australia's capacity to harness the capabilities and investment of the private sector.

⁷ Ibid p. xxiii

4. Priorities aligned with University Accord Terms of Reference

The section outlines some initial areas Navitas proposes as priorities for consideration in the work of the Accord during 2023. We look forward to receiving the Accord Discussion Paper and reflecting on priorities identified across the sector in response to this initial consultation.

1. Meeting Australia's knowledge and skills needs now and in the future

Enhance the delivery of quality education that meets the needs of students across all stages of lifelong learning and develops the skills needed now, and in the future. This will include recommendations for new targets and reforms recognising that more than nine in ten new jobs will require post-school qualifications, and fifty per cent of new jobs are expected to require a bachelor's degree or higher.

Priority 1A: The Universities Accord should explore international trends impacting the ongoing suitability of the traditional academic qualifications to meet the varying demand of the labour market and professional workforce. A key component of this is to consider a mechanism to map and monitor the relevant qualifications and skills needs that attach to segments of the labour market, professional careers, and vocational employability.

Priority 1B: Workforce and skills shortages combined with demand for microcredentials has resulted in an exponential growth in non-award short form courses around the world. While these courses may prepare students for specific employment opportunities now or in develop important employability or 'soft skills', their utility may have a short shelf life and will not be recognised for later study. The Accord should consider how microcredentials can be accredited and recognised in the Australian Qualifications Framework.

2. Access and opportunity

Improve access to higher education, across teaching, learning and research. This will include recommendations for new targets and reforms to support greater access and participation for students from underrepresented backgrounds (including First Nations Australians, those from low socio-economic backgrounds, people with disability, and regional and rural Australians).

Priority 2A: A key challenge for future system design is developing practical measures to adequately assess the ancillary consequences of policy approaches on the participation of underrepresented groups prior to their implementation. The Job-ready Graduates (JRG) Package provides an example where an approach intended to stimulate enrolments in national priority fields includes significant increases in student contributions in some low ATAR entry courses. With a higher concentration of low SES cohorts in lower ATAR fields, one unintended effect of JRG was to increase the tuition costs and longer-term HELP loan debt for these students.

Priority 2B: The diversity of Australian higher education providers, which includes large comprehensive universities with urban and regional footprints, pathway colleges, teaching-focused independent institutions, faith based and secular providers, and smaller, niche providers bring opportunity to meeting the diverse educational needs the Australian society. The Accord's review of funding arrangements needs to consider how programs targeting equity group participation and support, for example the Disability Support Program (DSP), Indigenous Support Program, Higher Education Participation and Partnership Program (HEPPP) and OS-HELP can best be targeted, and whether eligibility being limited based on provider type correspondingly limits achievement of access and participation goals.

3. Investment and affordability

Explore funding and contribution arrangements that deliver equity, access, quality and longer-term investments to meet priorities in teaching, research, workforce and infrastructure. This will include a review of the Job-ready Graduates Package.

Priority 3A: Equitable access to government loan schemes and the removal of barriers to accessing a HELP loan are a key element of equity of opportunity for all Australians. An example of current inequity is the application of a 20% Loan Fee to FEE-HELP recipients who enrol with a non-university provider - students enrolled with a Table A or Table B provider are not levied with a loan fee. The inequity is perhaps best illustrated by the Loan Fee being levied exclusively on a student population with the with least demand on the Commonwealth with these students themselves paying the full cost of their course. The barrier it creates to participation has also been recognised by its temporary suspension of the loan fee as a response to the pandemic. The Loan Fee has been waived since April 2020 and is scheduled to be reintroduced in 2023. In examining the appropriateness of HELP scheme conditions and future student supports, the Accord should consider how settings can be reformed to provide equity of access and HELP scheme sustainability.

4. Governance, accountability and community

Enhance regulatory and workplace relations settings to support universities to meet their obligations to both staff and students.

Explore the contribution that higher education makes to the Australian community, national security, and sovereign capability.

Priority 4A: In 2019 Australian Qualifications Framework (AQF) was subject to a comprehensive review led by Professor Peter Noonan, with the intent of creating a single national framework. While the government accepted all recommendations of the Review, modifications to the AQF have not been completed. The Universities Accord provides an opportunity to consider the recommendations in the context of a comprehensive sector review, new participation targets, and ways to maximise clarity and transparency of a complex framework for students, education providers, industry, and the Australian community.

Priority 4B: Creation of the University Certificate (UC) in 2020 recognised the value of a short-form qualification to provide rapid upskilling and reskilling and the importance of accredited microcredentials as well as providing an early exit point and an incentive for students seeking early exit to complete their first year of study. The UC was included in the AQF on a temporary basis until 2025, and the value of UC courses has been recognised by providers across the sector. The permanent inclusion of the UC in the AQF should be considered in the deliberations of the Accord.

Priority 4C: Safety and wellbeing on campus and in learning environments is a priority for all providers. The 2017 *Change the Course* Report by the Australian Human Rights Commission (AHRC) on Sexual Assault and Sexual Harassment (SASH) in Australian universities has led to renewed tertiary institution commitments to best practice SASH policies and procedures. TEQSA has also sponsored the development of communities of practice in the sector. The Universities Accord should consider whether gaps remain in addressing SASH concerns in the higher education sector, including an assessment of whether there are adequate independent resolution avenues for student grievances.

5. Connection between the vocational education and training and higher education systems

Explore possible opportunities to support greater engagement and alignment between the vocational education and training (VET) and higher education systems. In particular, the panel will have regard to the experience of students in navigating these systems and ensuring a cohesive and connected tertiary education system.

- Priority 5A:** The continued suitability of separate regulators for the vocational and higher education sectors needs close review in the context of sector benefits of a single tertiary regulatory agency. The current approach is burdensome and duplicative for dual sector providers and benefits of once Agency with a single institution registration procedure and discrete divisions to oversee sector based accreditation functions should be considered.
- Priority 5B:** The recently refreshed University College provider category supports the development of high-status institutions without the high-level research and comprehensive offering requirements of Australian University's. When considered in conjunction with the pathways and skill-based qualifications offered by dual sector institutions, the University College category provide opportune settings to stimulate the creation of high quality, skills and teaching focused dual sector institutions. The Accord should consider the regulatory framework and government supports that can realise the potential of the University College category to drive sector cohesiveness, student pathways and industry connections.
- Priority 5C:** The range of student loan scheme variants across the tertiary sector impacts the clarity and transparency of schemes for students and their families. Consideration should be given to the capacity of a single HELP scheme with minimal design differences across sectors and provider types, to remove inequities and increase coherence and connectivity of the tertiary sector.

6. Quality and sustainability

Examine the challenges faced by domestic and international students and staff due to the COVID-19 pandemic and the temporary and permanent impacts on the way the higher education sector works.

Support a competitive and resilient international education sector, reflecting the important role international students play in our society and economy, and Australia's interest in deepening partnerships abroad.

- Priority 6A:** The global learning crisis arising from the COVID-19 pandemic looms as the greatest challenge to the sustainability and resilience of Australia's international education industry. Hundreds of thousands of international students we anticipate will be on the Australian university campuses in the coming years will have experienced severe schooling disruption. The World Bank warns that unless countries implement and expand catch up programs in the coming months, they risk 'losing a generation'⁸. So far, many providers within Australia's higher education sector have responded by increased flexibility and generosity in entry requirements, however this approach does little to ensure that students have caught up on their learning.

The impacts of the global learning crisis on the resilience and sustainability of the Australian international education industry needs to be considered by the Accord in the context of how extra learning and supports needed by international students can be identified, targeted, resourced and delivered.

- Priority 6B:** The Australian government has implemented several reviews impacting the settings and conditions of the international education industry. This includes the Department of Home Affairs Migration Review, the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT) Inquiry into Tourism and International Education, the Employment White Paper and the Council for International Education has considered settings for post-study

⁸ <https://www.worldbank.org/en/events/2021/11/24/the-state-of-the-global-education-crisis-a-path-to-recovery>

A review of education stakeholders submissions to current inquiries impacting the international education industry would provide a diverse range of proposals to inform the deliberations of the Accord on how to support a competitive and resilient international education sector. Navitas priorities include reconsideration of the relationship between education and migration pathways, growing Australia's competitive advantage and economic benefits in Post Study Work Rights (PSWR), and government sponsored campaigns to promote the value of employing international students. Policy settings we have proposed include changes to replace the Genuine Temporary Entrant (GTE) provisions with Genuine Student requirements, amendments to the Simplified Student Visa Framework (SSVF) to remove 'trailing risk' where students transfer onshore and greater recognition for Professional Year Programs.

7. Delivering new knowledge, innovation and capability

Support a system of university research that delivers for Australia, securing the future of the Australian research pipeline, from basic and translational research to commercialisation. In doing so, the Accord will explore relevant initiatives and other opportunities and to further boost collaboration between universities and industry to drive greater commercial returns.

The review will synchronise with the ARC review and consider issues raised through that review and other areas of government that impact on the capacity of the higher education system to meet the nation's current and future needs.

Priority 7: The synchronisation of the Universities Accord and the ARC review provides opportunity for the Accord to consider the national benefits of harnessing investment in research by Australia's private sector tertiary institutions and realising the research and innovation capability of the private sector. Assessment of the scale of investment in research that might be stimulated by expanding eligibility criteria for ARC grants, and other national research grant programs, to private sector tertiary institutions which meet the research environment criteria should be considered.

5. Further work of the Universities Accord

Navitas thanks the Universities Accord panel for the opportunity to contribute our thoughts on priorities for the Accord at the commencement of the Review. We welcome early stakeholder consultation and the plan for further consultation opportunities as review work progresses through 2023.

The Navitas' Insights and Analytics team undertakes comprehensive research and monitoring of sector performance and emerging trends. This work builds on our direct experience in higher education delivery to provide an analytical and evidence-based framework to inform thought leadership contributions and direct advocacy.

Navitas' insights and analyses are shared across the sector and are the team are available to support the work of the Accord. Published papers can be accessed at insights.navitas.com