

Australian Universities Accord – RMIT University Submission

Date: December 2022

1. Introduction

RMIT University (RMIT) is pleased to offer ideas and suggestions to the Commonwealth Government's initial consultation for the Australian Universities Accord.

In this submission RMIT focuses on three clear propositions that will support Australian universities to achieve fitness for purpose, appropriate differentiation of their roles and activities, and serve a changing community of tertiary education learners throughout their working lives. In brief these include:

1. **Expand 'mid-tier' applied and work-based learning qualifications** in higher education to improve skills opportunities for people of working age and enhance systemic connections between universities, vocational education and industry,
2. **Create 'fair prices' for students** to underpin a fair, transparent and sustainable Commonwealth funding model for participation in higher education into the future,
3. **Design and coordinate learning precincts** that prioritise the quality and relevance of tertiary education provision, strategic industry partnership and innovation to meet changing workforce and community needs.

Together these propositions could provoke a deep shift towards an Australian university sector that serves a broader and more diverse community of learners, and that is more responsive to changes in occupational and workforce demand through more adaptive, continuous and collaborative modes of delivery.

RMIT's proposals are underpinned by innovative working approaches and prototypes that help to test, validate and grow these propositions for public policy support and successful system-wide implementation. RMIT extends our offer to continue sharing, building up and connecting these approaches in order to realise their positive impact for learners alongside their potential for sustainability and scale.

2. Reform propositions

2.1. Expand 'mid-tier' applied and work-based learning qualifications, linking nationally recognised skills development with work-based learning, recognition of relevant experience, and partnership in areas of industry demand

Challenge

Existing university provision disproportionately favours high-achieving school leavers and those with previously high levels of educational attainment.

In contrast, Australians with less previous education who are seeking (or forced) to transition from existing occupations or industry sectors toward areas of new employment demand are underserved, in some instances critically.

This cohort is increasingly exposed to changing labour market demand yet experience the highest barriers to reskilling.

This is a critical weakness in Australia's labour market outlook, as the livelihoods of a large cohort of paraprofessionals, many on below median wages, such as engineering technicians, executive assistants, project administrators, building and architectural surveyors, chefs, retail and hospitality managers and ICT technicians are at risk of disruption. Moreover, the sustained growth and productivity of many key industry sectors rely on the development of appropriately skilled and qualified workers in these 'mid-tier' areas.

While lower Australian Qualifications Framework (AQF) and occupational skill levels are serviced by vocational certificates, apprenticeships and traineeships, there is a significant structural gap in the provision of applied learning programs, often spanning between associate degree, higher apprenticeship, diploma and industry-certified skills, that form pathways to skilled employment at the mid-tier paraprofessional level of knowledge application.

If Australia is to be serious about its intent to design a system that encourages and enables lifelong learning, we must recognise that adult learners require learning solutions that accommodate their need to work alongside that learning (and wage) uplift.

Solution

Expand and fund nationally recognised work-based-learning qualifications to improve skills opportunities for people of working age and enhance systemic connections between universities, vocational education and industry. This could be established by:

1. Expand Commonwealth support at the Associate Degree level to support higher education work-based-learning, while reviewing and aligning trades apprenticeship qualification funding in relevant areas,
2. Investment to incentivize early transitions for occupations that exhibit high rates of non-resilience as identified by the National Skills Commission (Jobs and Skills Australia),
3. Provide nationally consistent and industry calibrated funding to support workplace learning.
4. Continue and accelerate the reform of the AQF consistent with the Noonan Review recommendations,
5. Ensure that micro-credentials, rigorously defined, can be integrated where relevant into larger qualification and credit structures,
6. Accelerate the development and use of the Australian Skills Classification as an open access national skills taxonomy,
7. Extend the employer and apprentice conditions and subsidies currently in place for trade apprenticeships to higher education work-based-learning qualifications, and subsequently seek to review these incentives to ensure national consistency and adequacy

Benefits

The solutions proposed above are RMIT's answer to how Australia can systematise the benefits that dual-sector institutions currently create on a smaller scale.

Operating at the mid-tier or para-professional level of knowledge, skills and application, this expanded spectrum of qualifications provides a relevant and accessible pathway for learners, combining elements of intensive teaching, applied learning, work-based experience and online support.

A diverse range of programs and qualification structures already exist between diploma and associate degree level; but their design, accreditation, funding and organisation are impeded by fragmented, overlapping and opaque arrangements between different jurisdictions and institutional sectors.

Australia has a generational opportunity to reshape the organisation of learning pathways that lead to higher level skills and employment, for people of working age, using a redefinition and combination of these qualification types.

2.2. Simplify university place funding and design

Challenge

Funding for higher education undergraduate student places in Australia is unnecessarily complex.

The benefit of income-contingent loans to support first-degree students has been instrumental in removing the up-front financial barriers to access for tens of thousands of students. RMIT believes this should remain as an underpinning component of any funding mechanism going forward. However, we also recognise, over many policy attempts, that the nature of income contingent loans means that students are largely insensitive to student contribution or price movements.

The university sector and the Commonwealth must move beyond the zero-sum game of marginal changes to student contribution amounts and funding cluster rates. In the past two decades there has been little evidence that Commonwealth or student contribution changes, whether in isolated examples such as teacher or nursing education, or broader changes such as the most recent JobReady Graduates package, have had discernible impact on access, discipline of study choice or student outcomes.

Solution

In contrast, RMIT believes that the university sector and Commonwealth must take the opportunity of developing a new Universities Accord to reframe the funding of university places and agree a consistently applied 'fair price' for student co-contribution.

This should be put alongside a true-cost-of-delivery higher education supplement from the Commonwealth that reflects differences in learning and teaching provision across disciplines, pedagogies (i.e., reflective of work-based learning elements mentioned above) and potentially regional differences.

Benefits

Students will be enabled to follow their interests and career ambitions without artificial, counter-productive incentives.

More standardised student contributions can provide a basis for more integrated learning pathways across the tertiary education system.

Greater simplicity, consistency and transparency across funding categories will support the system to work more sustainably over time and support the allocation of resources to areas of greatest impact, including sustainable growth in participation.

It will foster choice based on learning experience and outcomes rather than price being an artificial proxy for quality. Institutional incentives that drive these enhanced learning experiences, learning

pathways and graduate outcomes, can then become an increasing focus of policy and sector priority.

2.3. Design and coordinate learning precincts as a mechanism to drive quality and foster industry collaboration and co-investment

Challenge

Australia has a strong tertiary education sector, but the supporting structures and systems of coordination are outdated and fragmented, and their relationship to strategic urban and regional planning needs to be refocused and renewed. There is little that connects education, skills or research investments with clusters of employment or workforce demand across region or industry priority.

Neither are there effective methods in place to ensure that skills investments anticipate or reflect industry transformation, and little that spurs systemic innovation in skills formation along with industry co-design and investment. Universities are not funded to host industry or community partnerships in ways that support collaborative engagement, in place, and in the pursuit of long-term outcomes.

Solution

Commonwealth support for learning precincts, place-based areas of industry and community participation and partnership, provides one such solution.

The design and designation of learning precincts, linked by targeted coordination, investment and precinct partnerships to build up clusters of educational activity that respond to evidence of skills and occupational demand, as is currently being built up through skills agencies and authorities.

Whilst fully recognising university independence and the associated fundamental freedoms, a learning precinct investment mechanism will also build upon the many jurisdictional initiatives to cluster employment, research and innovation, skills formation and industry co-location.

This investment mechanism could be implemented through:

- A move toward longer-term funding and compact agreements between universities and the Commonwealth that reflect specialisation, anchor institution status and a focus on needs-based provision,
- Sustained investment and coordination of national and jurisdictional skills and workforce analysis agencies (skills commissions, authorities, and Jobs and Skills Australia),
- More integrated National Partnership discussions that include how tertiary education is provided, including the benefits and potential of 'concurrent' study and integrated workforce pathways arrangements where there is evidence of demand.

Benefits

Commonwealth coordinated learning precincts will allow learners to see what skills are in demand in their community and be given the confidence to know that there will be learning opportunities available with excellent quality [at a fair price].

Learning precincts can also provide a mechanism for the Commonwealth to support universities (through targeted innovation funding) to better respond to community and industry needs. It will encourage collaborative government arrangements to identify industry sector priorities (such as clean energy or aged care among others) and regions that are underserved, and target coordinated investments to address this.