

University of Sydney submission in response to the Australian Universities Accord Interim Report, 1 September 2023

The University of Sydney supports the vision and proposed 'system shifts' to strengthen Australia's tertiary education system outlined in the [interim report of the Australian Universities Accord Panel](#). We agree that First Nations peoples, culture and knowledge must be at the heart of our tertiary education system and that changes will need to be prioritised and sequenced over time given the scale and complexity of the reform journey ahead.¹ In sharing our priority reflections below, we focus on three critical and as yet unanswered questions that we encourage the Panel to address in its final report:

- A. How should equitable growth in tertiary education participation and success be achieved**, to secure prosperity for all Australians, strengthen our democracy and meet our changing skills needs?
- B. How should Australia's capability for research and its translation be strengthened**, to underpin skills development, our capacity for innovation and to meet our national priorities?
- C. How should the task of reforming the way Australia regulates, funds and runs its tertiary education and research system be approached**, to ensure we achieve the goals of equitable participation and growth, transformational learning experiences for all students, strengthened workforce skills and sovereign research capacity?

Reflection A How should equitable growth in tertiary education participation and success be achieved?

The report is clear that: Australia's skills needs are changing; participation in higher education remains inequitable; and significant workforce shortages already exist in many fields. We strongly support the aspiration of participation parity for under-represented groups and the resetting of national targets to support this goal. However, the Accord's final report must recognise that achieving parity in participation will require a major concerted effort over the next 10-20 years across all levels of our education system, and that even if parity is achieved, it is unlikely to fully address the future skills needs of our growing and ageing population. Similarly, care will be needed to ensure reforms flowing from the Accord serve to strengthen participation in vocational as well as higher education.

Barriers to widening access in tertiary education are well-documented and very hard to shift, including: relatively lower levels of educational achievement in some schools; lower educational aspirations; lower school completion rates; and, insurmountable financial barriers to accessing life-changing tertiary education and training. The entrenched, complex nature of these challenges has led to little change in equity participation in tertiary education over the past 15 years. The underlying causes of skills shortages must also be understood and addressed to meet future skills needs, beyond simply increasing and targeting the availability of places. Focused effort is needed to improve long-term workforce planning in areas of skills shortage to grow and strengthen work integrated learning (WIL) opportunities for future students. See **Appendices B.1 & B.2** for detailed reflections on WIL issues.

The report highlights Australia's need for massive growth in Commonwealth-supported participation in tertiary education to 2050. It acknowledges that greater provider diversity, new types of institutions, collaborative systems of institutions, and more seamless funding of the vocational and higher education sectors, will be needed to accommodate growth and support life-long learning cost-effectively. Australia already has some of the largest universities in the world. A fit-for-purpose Australian tertiary education sector in 2050 cannot still have only around 40 universities, many with more than 100,000 students each, if the report's growth targets are to be met. Significant regulatory and funding changes are needed if we are to foster provider diversity. The current 'base funding' framework – still standing on the weak foundations of the Dawkins-era *Relative Funding Model* always intended to be temporary – works against achieving participation parity and skills growth in areas of national priority. The funding rates are set without regard for the cost of quality provision, or the extra costs of supporting students from under-represented groups, in small groups or remote sites. Students do not respond to price signals and Job-ready Graduates (JRG) changes have entrenched perverse funding incentives for providers to not enrol students in national priority areas facing skills shortages. We address issues on regulation and funding further in **Reflection C**.

Recommendations for the Accord final report

- 1. Ensure Australia's schools are supported to focus on lifting educational outcomes and aspirations for students from under-represented groups**, as critical enablers for achieving tertiary education participation parity. As part of a renewed strategy, strengthen long-term strategic academic partnerships between schools and universities, which have been shown to be effective.²

2. **Commission a dedicated independent review of student income support**, to address a key barrier to improving participation by enabling students from Low SES backgrounds and regional areas, to benefit from transformational experiences that are currently out of reach for many Australians because of cost-of-living barriers, such as accommodation, and the inadequacy of available income support.³
3. **Establish integrated approaches to understand and address key skills shortages**, by bringing together government, universities, professional bodies and employers. A recent promising example is the [National Teacher Workforce Action Plan](#) developed to address severe teaching workforce shortages. The Commonwealth should be urged to develop similar strategies for other critical professions experiencing serious workforce shortages.

Reflection B How should Australia's research capability be strengthened?

Strengthening Australian university research and its interaction with government and industry is critical if we are to tackle the nation's big priorities.⁴ The quality and sustainability of Australia's university research and research training system is under threat, and there are major structural problems that need to be addressed if we are to strengthen and de-risk our sovereign research capability over the long-term.⁵ Key among these is the heavy reliance of our leading research-intensive universities on income from international student fees to meet the full costs of supporting and delivering research, which is only partly funded by other sources, such as the Commonwealth's research councils and agencies.⁶

The report's idea of imposing a levy on revenues providers earn from international students – to support research and activities in other institutions – is short-sighted and inconsistent with Australia's soft diplomacy objectives. It would exacerbate rather than address the structural flaws in Australia's higher education system, and would likely decrease the overall amount of revenue and economic benefit achieved by Australia through international education.⁷ The levy idea represents a risk to the whole sector, with the COVID-19 pandemic downturn demonstrating that our most highly-ranked universities are not the institutions that have the most to lose from an overall reduction in international student numbers.

Australia needs a more strategic, integrated and sustainable approach to R&D in line with countries such as Israel, South Korea, the US, UK, China, Japan and the EU, which are investing strongly in R&D post-pandemic in recognition of the long-term benefits that flow to their people and economies. The Australian Labor Party has recognised the importance to Australia's future prosperity of lifting our economy's research intensity, taking an aspirational long-term target to the last election of boosting our rate of Gross Expenditure on R&D (GERD) from the current 1.68% to 3% (OECD Average 2.7%), with this goal remaining in the Party's 2023 Draft National Platform.⁸ The report is silent on the value of such a target and most importantly, on the path to achieving it. As we stressed in our April submission, Australia's best hope of achieving such a target is by significantly boosting levels of business investment in R&D (BERD) as a share of GDP (OECD Average 1.67%, Australia 0.9%).⁹ We address research funding issues further in **Reflection C**.

Recommendations for the Accord final report

4. **Emphasise the importance of the Government committing to a long-term 3% of GDP R&D intensity target**, as critical to strengthening Australia's capacity for innovation, the productivity and competitiveness of its economy and sovereign capability to deliver on national priorities.
5. **Stress the need for the Commonwealth to take an integrated approach to the development of a comprehensive science, research, industry and innovation policy**. The Panel could recommend that the Government reestablish the [Prime Minister's Science Engineering and Innovation Council](#), or similar high-level body, and task it with overseeing the development of the whole-of-government strategy and implementation plan necessary to achieve the 3% of GDP R&D intensity target by 2035. Changes to ministerial portfolio responsibilities could also be considered to improve coordination of the Commonwealth's policy-making and implementation relevant to R&D, as well as Cabinet representation.
6. **Urge the Government to commit, long-term, to significantly increasing funding for the Australian Research Council and to move over time to ensure that research commissioned by the Commonwealth covers the full economic cost**. In preparation for this, the Accord should recommend that the Government consult with the sector and international experts on transparent research costing and funding (primarily from the [US](#) and [UK](#)), to establish an independent expert review to understand the true current costs of Australian university research.¹⁰

Reflection C How should the task of reforming the way Australia regulates, funds and runs its tertiary education and research system be approached?

We strongly support consideration of establishing an independent Commission as the key new mechanism by which to improve the way Australia approaches the development of tertiary education policy.¹¹ However, if such

a body is to be created as a statutory body, careful thought – informed by consultation – will need to be given to its functions and powers, including its role relative to TEQSA, ASQA and their respective standards panels. As per our April submission, such a body should be strictly advisory to government, focused on research, evaluation and long-term policy advice. It should not have a role in funding decisions or implementing policy.¹²

The report's recognition that Australia would benefit from having a wider range of tertiary education providers, differentiated by their unique missions, is also strongly supported.¹³ This finding aligns with our April submission, where we argued that the solution to achieving greater provider diversity lies partly in reducing the research scale and quality requirements that were introduced to the Higher Education Provider Category Standards in 2021.¹⁴ As mentioned in **Reflection A**, we must also understand and address how Commonwealth regulation and funding of the sector have driven the massification of Australian universities and the homogenisation of their teaching profiles over the last 30 years.¹⁵

In terms of funding, we are impressed by many of the report's findings and are struck by how short the current arrangements fall of the Panel's proposal that the funding system 'must be simple, fair, transparent, secure and enduring.'¹⁶ However, the structural funding challenges that face our tertiary education system are multi-faceted, complex and will only be addressed by careful expert work, pursued over the next decade, and led by a properly constituted and resourced body like the proposed Commission. We share four reflections on the interim report with respect to funding below:

- The final report must make the case for increased public investment in tertiary education and research over the long-term.¹⁷
- The Higher Education Loan Program (HELP) must be protected and improved.¹⁸
- The final report must be clear about the relationship between funding security, especially for research, and the capacity of Australian universities to provide secure employment for staff.¹⁹
- Urgent change is required to the JRG package to make it fairer for students from 2024.²⁰

The Accord represents an opportunity for the Commonwealth to commit to a decade-long effort to improve government funding policies so that they appropriately reflect the actual costs of delivering quality tertiary education experiences and supporting outcomes for students from under-represented groups, and the real costs of government-sponsored research. The current funding framework's growing inability to do so drives universities to pursue alternative revenue options at scale that is not viable or sustainable – long-term – and which is placing the quality of the system at real risk.

Key to the successful design of a new funding model, will be clarifying, finally, that the Commonwealth funds teaching and research separately, and significantly strengthening our understanding of cost-effectiveness when it comes to the delivery of quality teaching, research, support services and infrastructure to students from different backgrounds, geographical locations and modes of study. As we emphasised in our April submission and the interim report acknowledges, the Transparency in Higher Education Expenditure data that informed the JRG funding rates are not fit-for-purpose. A new approach needs to be developed through consultation with the sector and expanded to include the costs of delivering quality teaching in different disciplines and settings to ensure consistent, high-quality student experience. Gaining a robust understanding of universities' actual research costs will also be critical to inform sound policy development and future funding decisions.²¹

Recommendations for the Accord final report

- 7. Establish an independent Australian Tertiary Education Accord Commission**, to support the development and implementation of high-quality, evidence-based policy, regulatory, funding and planning advice to government over the long-term.
- 8. Task the Commission, once established, with prioritising advice to the Government on the merits of the Provider Standards Panel removing, or reducing to a single broad Field of Research**, the minimum research and research training requirements an institution of higher education must satisfy for registration with TEQSA under the "Australian University" provider category.
- 9. Secure changes to the JRG student and Commonwealth contribution amounts before 1 January 2024**, to rebalance student contributions to make them as fair as possible and to provide time for the proposed Commission to progress the detailed work needed to develop a new system of base funding, capable of being applied through a *Universal Learning Entitlement* across diverse vocational and higher education settings.

Appendices

- A** The University of Sydney's key areas of substantive agreement/disagreement with the Accord Interim Report, gaps, and thoughts on measurement.
- B.1** Reflections on work-integrated and experiential learning issues generally.
- B.2** Reflections on work-integrated learning in healthcare programs with mandatory clinical placement requirements.

Endnotes

¹ Accord Interim Report, p.1, p.8, pp.18-20

² As stressed in our April submission, there are opportunities to support deeper, long-term partnerships between schools and universities to help boost educational outcomes. See also KPMG (2015) [Evaluation of Bridges to Higher Education](#), Final Report. See also, <https://www.informedchoices.edu.au/>; [STEM Teacher Enrichment Academy](#); [Education Futures Studio](#); [AI Fluency Sprint](#); [Sydney Policy Lab](#)

³ See, The University of Sydney, [Reimagining Australian Tertiary Education](#), pp.18-19.

⁴ As the report notes – “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” (p.1) and that “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” (p.93).

⁵ Accord Interim Report, pp.92-101

⁶ The University of Sydney, [Reimagining Australian Tertiary Education](#), pp.25-26

⁷ We strongly oppose, in-principle, the report’s proposed introduction of a levy on revenues tertiary education providers receive from international students. One of our key reasons for concern is that such a measure would make it even harder for public universities to offer employment security for academic staff. We will reserve passing final judgement on the levy idea until the details are clear but have outlined in **Appendix A** why this would be poor public policy, at odds with the national interest, and strongly endorse the Go8’s submissions regarding this proposal.

⁸ ALP (March 2023) [Draft National Platform](#)

⁹ OECD Main Science and Technology Indicators, ABS

¹⁰ The starting point for addressing this long-standing issue is understand the cost of delivery research in different fields, institutions and settings. [The former government committed to such a process in 2017](#). However, except from some scoping work undertaken by Deloitte but not released publicly, the commitment was never realised.

¹¹ Accord Interim Report, p.112

¹² The University of Sydney, [Reimagining Australian Tertiary Education](#), pp.29-30

¹³ Accord Interim Report, pp. 2, 14, 105.

¹⁴ See TEQSA [Guidance note: Research requirements for Australian universities](#); See also, The University of Sydney (2019) [Submission to the Review of the Higher Education Provider Category Standards](#)

¹⁵ The University of Sydney, [Reimagining Australian Tertiary Education](#), p.31

¹⁶ Accord Interim Report, p.124

¹⁷ More emphasis should be given to the long-term value derived by individuals and the nation from public investment in education and research, to ensure that Australia has a high-quality and equitable tertiary education system. This includes emphasising the intrinsic value to our democracy of having a well-educated population with the knowledge and skills necessary for inclusive and full participation in society. It also means including consideration of the long-term economic and societal costs that arise for future governments, individuals, families and communities, for every young person who fails to successfully transition from school to tertiary education or work, and from not investing competitively in R&D. For example, Victoria University’s Mitchell Institute has calculated the enormous cost to individuals, families, governments and the community of far too many young Australians failing to transition successfully to tertiary education or work by the age of 24 years. In 2020 it estimated, for example, that some 28 per cent or more than 110,000 Australian 24-year-olds had not acquired the skills needed to become confident in themselves and the future, while some 38 per cent or 145,000 were not actively engaged in the community. See: <https://apo.org.au/node/309141>, <https://www.voced.edu.au/content/ngv%3A76621>

¹⁸ We strongly agree that if students are to contribute to the cost of their tertiary education, Australia’s income contingent Higher Education Loan Program (HELP) is a world-leading policy that must be maintained and tweaked to improve its fairness along the lines proposed in the Accord Interim Report (pp.136-139).

¹⁹ We strongly endorse the report’s findings about the need to be good employers and share the concerns it raises about trends in academic workforce casualisation. However, there remains insufficient appreciation of the critical role the current funding system - particularly for research and partly due to legacy issues from the Dawkins’ reforms and subsequent policy changes - plays in preventing universities from providing academic staff with secure employment.

²⁰ This should occur ahead of longer-term funding reform. We welcome the report’s vision for a future integrated tertiary education system that supports lifelong learning for all Australians; that values and treats vocational and higher education far more consistently than today. Developing a new Needs-Based Funding Model underpinned by a University Learning Entitlement to Commonwealth-support and HELP, combined with regulatory changes to foster provider diversity and safeguard quality will be fundamental to realising this vision. Reforms of such ambition and complexity will take years to develop and implement. In the meantime, changes must be made urgently to the JRG package to rebalance student debts and ensure the current generation of students are not unfairly burdened. We outlined our preferred approach to fixing the JRG in our April submission (p.8) and are pleased the Accord may be leaning towards a similar approach (Accord Interim Report, p.135).

²¹ Accord Interim Report, p.94, p.139

Appendix A: Key areas of agreement, disagreement, gaps and measurement issues

We provide below key areas of agreement with the Interim Report, key gaps given the Panel's terms of reference, key areas of disagreement, and ideas about measuring progress towards the Accord's policy goals, once defined.

Key areas of agreement

- **High priority actions.** We support the high priority actions outlined in the report (pp.11-13), in particular Priority Action 2 – Cease the 50% pass rule, Priority Action 3 – Ensure that all First Nations students are eligible for a funded place at university, and Priority Action 4 – Provide funding certainty. However, we have concerns about various aspects of the Government's proposed legislation response to Priority Action 2 and detailed these in [our 25 August submission](#) to the Senate Education and Employment Legislation Committee's inquiry into the enabling Bill. We acknowledge the concerns behind Priority Action 5 – Improve university governance, and look forward to engaging with the working group the Minister has established to progress this work.
- **Articulate an agreed national vision for the future of Australia's tertiary education system.** The vision (pp.25-27) and 'system shifts' (p.28) articulated in the interim report are supported. However, we note that the 'system shifts' do not address the Panel's Term of Reference on 'Investment and affordability'. The final report should include a system shift which captures the intent of this term of reference such as, 'Commonwealth funding and student contribution arrangements will deliver equity, access, quality and longer-term funding to meet priorities in teaching, research, workforce and infrastructure, while achieving transparency and reducing reliance on cross-subsidisation'.
- **First Nations at the heart of Australia's higher education system** (pp.35-36). We support this vision, which is in line with the aspirations of our 2032 Strategy to thrive through diversity and our *One Sydney, Many People* Strategy for First Nations people to reach their full potential. We agree the higher education outcomes are fundamental to Closing the Gap and improving those outcomes requires full and genuine partnership between First Nations peoples, higher education institutions, the Australian Government, and other partners in an enduring Accord. We specifically support initiatives in the following policy areas:
 - **Creating a First Nations Higher Education Council**
 - **Moving toward a self-determined approach to national funding and policy settings**
 - **Supporting a First Nations-led review of access, participation and outcomes**
 - **Enhancing research capability for First Nations knowledges** (p.14).
- **Establish a Tertiary Education Commission charged with overseeing the development of a fit-for-purpose tertiary education system and operating with a degree of independence from Government** (p.21). We support establishing the Commission as the enduring mechanism for tertiary education reform. However, the Commission should not have a role in funding institutions or implementing policy, rather its remit should be strictly advisory to government; focused on research, evaluation and ongoing policy development.
 - **Revise the Provider Category Standards** (p.128). An immediate task of the Commission should be to provide advice to the Higher Education Standards Panel and Government on the merits of removing the research requirements for Australian university status entirely or reducing the requirement to research and research training in a single broad Field of Research.
- **Establish a new funding model for higher education that is student-centred, needs-based, ensures the funding available is sufficient to provide access to high-quality higher education for students from equity backgrounds and from different locations, helps achieve attainment and equity targets, recognises the different costs of delivery in regional Australia and strengthens Australia's higher education research capacity** (p.23). As per our April submission, the University of Sydney strongly supports establishing a new funding model. The Commission should be tasked with commencing the detailed work and consultation needed to develop an entirely new system of base funding that can be applied through a universal learning entitlement across diverse vocational and higher education settings, and which aligns with the true cost of delivering quality teaching and research to students with different needs and complexities, including:
 - **Preserve and strengthen Australia's world-leading income contingent loan program (HELP) as the core pillar of our tertiary education funding system** (p.18).
 - **Develop a stronger understanding of the true costs of core activities in higher education, increasing transparency and improving pricing, quality, performance, and efficiency** (p.23).

- **Create a funding model that includes a universal learning entitlement**, so that if any student is qualified for admission to an accredited tertiary education course they receive Government support (p.156).
- **More unified and consistent funding arrangements between VET and HE** (p.58).
- **Take immediate action to ensure the affordability of higher education for students, adjusting student contributions instituted by the JRG package** (p.23). This is required before January 2024, with grandfathering, to address the unfair impact on First Nations and female students.
- **Significantly increase immediate investment in the ARC** (p.115), **move towards ensuring National Competitive Grants cover the full cost of undertaking research** (p.19) and **develop a national, holistic policy for research training** (p.19). These actions are required to address the major structural problems in research funding and to strengthen and de-risk our sovereign research capability over the long-term. We also support the following findings and ideas in the interim report:
 - **Funding research and education activities separately** (pp.94, p.124)
 - **Minimising the need for cross-subsidisation of research** (p.125)
 - **Reducing the sector's reliance on international student fees to sustain research** (p.93)
 - **Improving transparency about the sector's research costs** (p.101)
 - **Ensuring stable and ongoing investment in critical research infrastructure** (p.102)
 - **Increasing the PhD stipend rates** and other measures to strengthen **research training** including a national holistic policy (pp.101-102)
 - **Improving research career structures** (p.95)
 - **New light-touch approaches to measuring research quality and impact** (p.97)
 - **Continued efforts to improve business-university collaboration**, research translation and commercialisation (pp.97-99)
- **Create specific higher education participation targets for students from under-represented backgrounds and equity groups to achieve parity by 2035**, including students from low socio-economic, regional, rural and remote backgrounds and students with a disability (p.15). The University of Sydney strongly supports the aspiration of participation parity for under-represented groups and resetting of targets to support this goal. This is in line with the aspirations of our 2032 Strategy to thrive through diversity and our *One Sydney, Many People* Strategy for First Nations people to reach their full potential. To achieve these targets, the University of Sydney also supports:
 - **Reducing cost-of-living barriers to higher education through improved income support measures** and more opportunities for part-time study (p.17). As per our April submission, this is a critical barrier to access for low SES students and is essential to achieving participation parity.
 - **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 (p.17).
 - **Increasing access to preparatory and enabling programs** to provide more pathways into higher education (p.17).
- **The view that we should treat international education less as an industry and more as a crucial element of Australia's soft diplomacy, regional prosperity and development strategies** (p.2).
- **The critical importance of building more education partnerships between industry and tertiary education providers, to address future skills needs - including by expanding and improving work-integrated learning opportunities for domestic and international students, and ensuring that students have access to adequate financial resources when completing mandatory WIL** (p.10, p.50-51). See Appendices B.1 and B.2 for further detailed reflections regarding WIL and student placement poverty.

Key gaps

As emphasised in our three-page summary submission, the Panel's ambitious vision and reform agenda for tertiary education cannot be realised unless there is buy-in and coordinated action by multiple Commonwealth agencies, as well as from state and territory governments, industry and other stakeholders. We would like to see the Accord final report recognise this reality and make strong recommendations about the need for an integrated, whole-of-government approach, if its vision for the system's future is to be realised. For example:

- **Achieving equitable growth in tertiary education participation and success** will require action in relation to early childhood and schools' policy and funding, as well student income support and affordable accommodation solutions.

- **Strengthening Australia's research capability** will require a whole-of-government commitment to lifting Australia's R&D intensity, and especially efforts to understand and address over the long-term Australia's relatively low levels of business investment in R&D. The report raises the idea of a levy on international student fees as revenue raising measure but gives no consideration to the potential for increasing and leveraging business investment and philanthropy to help support the achievement of the Accord's aspirations. As we stressed in our April submission, with improved incentives, we see significant potential to increase business investment and philanthropy. This could be targeted, for example, to improve equity of access and success; support industry partnerships around work-integrated learning; progress research and research training in national priority areas; and contribute towards the costs of new infrastructure.
- **Increasing industry's willingness to invest in work-integrated learning opportunities, and to support and incentivise students to be life-long learners** will require reforms to business tax incentives, training subsidies and potentially changes to superannuation policies.
- **Ensuring that Australia's migration and policies strike the right balance between supporting international education and protecting the integrity of visa system**, will require careful thought and policy design, informed by ongoing consultation with students, industry and education providers.
- **Reducing the massive regulatory red-tape burden that afflicts Australia's universities and other tertiary education providers** will require a genuine and whole-of-government commitment, given that so much of the burden arises from laws and regulation imposed by agencies other than the Federal Department of Education. The interim report highlights the importance of reducing unnecessary administrative and regulatory burdens on providers as '[i]mproving the autonomy, flexibility and innovation of institutions can only be achieved by a modern regulatory architecture focused on excellence, quality and outcomes' (p.109). Yet so many of the ideas in the report would be likely to reduce institutional autonomy, flexibility and capacity for innovation. In considering its final recommendations to Government the Accord must consider the necessity and proportionality of any proposals that would impose further additional regulatory compliance burdens on providers.

Key areas of disagreement

- **Lack of clarity on desired reform outcomes and policy direction.** The interim report includes multiple outcome constructs including the [Terms of Reference](#), 'goals' (pp.14, 28), 'A vision for Australia's higher education system' (pp.25-27) and 'possible system shifts' (p.28). The final report must reconcile these constructs and clearly define the coherent set of outcomes the Accord Panel recommends the Government commit to achieving within defined timeframes. This in turn would make it easier to measure performance (more below) and prioritise recommendations. The interim report includes over 100 policy considerations and ideas; while stimulating discussion, this would provide insufficient direction for government. The final report should prioritise 15-20 recommendations which are closely aligned to and will have maximum impact on the desired outcomes.
- **Levy on international student fees.** We strongly oppose the report's proposed introduction of a levy on revenues tertiary education providers receive from international students. The report states that the levy could be considered to 'ensure an enduring and sustainable funding model for higher education' and could 'provide insurance against future economic, policy or other shocks or fund sector priorities such as infrastructure and research' (p.155). The levy is not a suitable source of funds for higher education. The University opposes the levy because:
 1. **It is not consistent with the interim report's 'soft diplomacy' vision for the future of Australia's international education sector, would deter international students and have consequences for all tertiary education providers and the economy.** The levy is in conflict with the notion that international education is 'less as an industry and more a crucial element of Australia's soft diplomacy' (p.7) and would damage Australia's reputation. We know that cost competitiveness is an important factor in the Australian international student market and that international students have a strong sensitivity to factors that impact relative costs. Research from Min and Falvey (2018) specific to the Australian market, suggests a 1 per cent increase in costs relative to those in the UK and USA would result in a 1.25 per cent decline in international student enrolments in Australia. Any reductions in international student demand would have broader consequences for the economy. Higher education is the leading services export, an increasing share of Australia's overall exports (rising to almost 30 per cent pre-COVID) and an important component of Australia's economic prosperity. International students also boost tourism. The Property Council found that in 2019, around 300,000 international tourists came into Australia to visit an international student, contributing approximately \$1 billion to the economy. In 2022, the University of Sydney had around 39,000 international students, with modelling indicating that our students alone contributed \$2.9 billion to the Australian economy, while supporting more than 15,000 direct and indirect full time equivalent jobs. The levy presents significant political and economic risk to Australia.

2. **It would not address, but exacerbate the structural funding flaws in Australia’s higher education system.** The report is clear that the success of the tertiary education system relies on secure, enduring and sustainable funding (p.139). It highlights the major structural issues with the current funding model, including JRG implementation, heavy cross-subsidisation and a reliance on volatile revenue sources (p.139). A levy would not provide secure funding – as mentioned above, revenue from international students is volatile as students have a strong sensitivity to factors that impact relative costs, including tuition fees and charges, living costs, and exchange rates. The levy would not address the structural funding issues and would exacerbate issues of cross-subsidisation and over-reliance on volatile revenue sources. The fundamental issues with the higher education funding model must be addressed and other mechanisms, such as re-establishing a Ministerial Council for research or increased business investment must be considered to increase and ensure sustainable funding for higher education.

3. **It would make it harder for universities to offer employment security for academic staff.** We know that the current funding model does not cover the full cost of core university activities - teaching and research - and that heavy cross-subsidisation is required from other less secure revenue sources such as research funding and international student fees. Research funding has become increasingly project-tied, with a greater reliance on successful performance in highly competitive granting rounds with low success rates, and volatile international student revenue. Commonwealth funding for indirect research costs has declined from 28 per cent of total research funding in the early 2000 to 15 per cent in 2022. Combined, this funding instability has contributed to the increased numbers of research-only appointments (staff funded with secure external research grants) and increased casualisation of academic teaching roles over the past 10 to 15 years (staff funded from insecure funding sources). The levy further increases reliance on unstable revenue sources, may lead to job losses and exacerbate workforce casualisation for academic staff.

Measurement issues

- **Performance measures and a monitoring and evaluation framework.** If it assists the Accord Panel, as it looks to finalise and define its proposed vision, system shifts and performance targets, we recently established a monitoring and evaluation framework for our [2032 Strategy](#), using a Social Return on Investment approach. We have shared the key success factors from our approach below, that may be relevant for the Accord. We would welcome further discussions with the Accord Panel and Department on this topic.
 1. **Clarity on what we seek to measure:** Our 2032 Strategy defines seven aspirations, and supporting outcomes that we seek to achieve. As mentioned above, the Accord final report should clearly define the coherent set of outcomes the Government should commit to achieving within defined timeframes, to form the basis of measuring performance and prioritising recommendations.

 2. **A fit for purpose measurement approach:** Like the Accord, our ultimate goal is to create long-term social and economic benefits for Australians. We employ program logic to trace these broad impacts back to our specific activities, outputs, and outcomes for key stakeholders like students, staff, and the community. This approach provides us with confidence that by monitoring our activities and outputs in the short term, we are “on track” to deliver the long term social and economic benefits.

 3. **Identify relevant existing measures as a starting point:** We developed a data quality framework, focusing on accuracy, completeness, consistency, and reliability, to support our program logic approach. We used this to select existing sector and internal measures to start tracking and monitoring our performance at the start of our strategy. Given that it can take years to see the end results of educational and research programs, having continuous and stable metrics allows for better tracking and assessment of performance over time. This continuity makes it easier to monitor whether the programs are effective and achieving their intended outcomes. Existing measures for higher education performance already exist that could be a starting point for Accord measurement.

 4. **Invest to capture data where there are gaps:** We are actively working to enhance our data collection to better inform our strategic implementation. This involves conducting in-depth research on student experiences in New South Wales institutions through focus groups and other qualitative methods. Once the outcomes of the Accord are clearly defined, it is likely that new measures will be required to fill key data gaps, for example, on the quality of teaching.

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Appendix B.1: Reflections on the Accord Interim Report's consideration of work-integrated learning in tertiary education

In 2022, the University of Sydney enrolled almost 50,000 undergraduate domestic students in units with an embedded experiential learning component. The variety and complexity of work-integrated learning (WIL) across disciplines is well documented, however, attempts to record and describe differences in the scope, nature and scale of WIL are poorly articulated. The University currently recognises seven different types of experiential learning¹ and, as noted in the Accord Panel's Interim Report (Section 2.2.5), Australia will need to develop and expand new models of WIL delivery – including engagement in simulated learning through virtual reality (VR) and artificial intelligence (AI) – if we are to grow tertiary education participation by the scale the Interim Report forecasts and enhance students' attainment of employability skills cost-effectively.

There is long-standing evidence that the quality of experiential learning, rather than the length of the experience, produces better outcomes for students, and that industry partners who are engaged in providing direct feedback to students are more likely to perceive those students as work-ready.^{2,3} This rationale underpinned our decision in 2016-17 to offer a suite of multi-disciplinary project-based Industry and Community Project Units (ICPU) across all faculties from 2018, and to create an Open Learning Environment (OLE) for short-courses designed to prepare students studying in generalist and profession-specific courses for work and careers.⁴ Developed in partnership with industry, community and government organisations, these initiatives were designed to increase authentic project opportunities for students, in addition to the more traditional discipline-based WIL options already offered. Student enrolments in ICPU have increased from approx. 4,000 in 2018 to more than 12,000 in 2022. In 2023, we invested in a university-wide initiative to develop work-integrated learning at scale. This strategy includes plans to build a supportive infrastructure for the delivery of student career and employability functions (called SydneyConnect).

The University recognises that supporting students to develop career pathways is an opportunity to revolutionise Australia's future. WIL offers a solution to industry's skills needs and Australia's declining productivity, through the collaborative development of lifelong learning experiences that marry theory with practice. The intersection between tertiary education and industry is critical, and responsibility for the co-design of WIL needs to be shared equally by the tertiary education and industry sectors. However, a significant number of challenges in WIL are driven by industry decision making (e.g. the mandatory requirements for health professional degrees or regulations around international students not being able to access specific funding pools and programs). Other constraints include: increasing student demand for WIL; the impact health emergencies like the COVID-19 pandemic had on the economy and the availability of placements; public funding models that are inflexible and do not cover the full-costs of delivery; a lack of transparency and understanding about delivery costs and funding sources; and, professional bodies' and ASQA/TEQSA's regulations on accreditation and the quality of experience. While regulation is necessary, the often-overlapping requirements slow the pace of change, limit options for innovation in design and delivery, and frustrate both employers and government stakeholders.

As the Accord Interim Report highlights, employers increasingly require a level of capability that cannot be attained solely through primary and secondary education. Most school leavers will need to work while pursuing tertiary qualifications, to maintain a reasonable quality of life while pursuing their initial post-school education and training, or later in life to upskill or reskill. Support will be needed over a longer period of time if a greater number of people are to undertake post-school learning (e.g. for 55% of the population to gain a bachelor degree by 2050). Government support is already insufficient to enable all Australian school leavers the luxury of focusing solely on their learning while completing tertiary study, and as already noted, more students are entering tertiary education later in life, when financial pressures are often greater.

"If we do what we have always done, we will get what we have always got" (Henry Ford)

¹ The seven types of experiential learning recognised by the University are: Entrepreneurship Projects, Industry and Community Projects, Internships/Placements, Mobility, Mobility (with experience), Field work and Research projects.

² Australian Government Department of Education, Office for Learning and Teaching (2014) The Impact of work integrated learning on student work-readiness: Final Report ISBN 978-1-74361-907-0

³ Smith C, Ferns S, Russell L. Placement quality has greater impact on employability than placement structure or duration. Int. J Work Integrated Learning 2019, 20(1), 15-29.

⁴ <https://www.sydney.edu.au/students/industry-and-community-projects.html>,
https://www.sydney.edu.au/handbooks/interdisciplinary_studies/open_learning_environment.html

The Universities Australia *Work Integrated Learning in Universities: Final Report (2019)* highlights challenges for WIL that have existed for decades. Equity of access, including for international students, has not improved and there is a plethora of models of WIL and mixed attitudes towards student payment models across disciplines. Any solution therefore needs to be truly transformative for all key stakeholders (students, industry and higher education), or the same challenges will be raised again in another 10 years. There is also a critical need to ensure that any new system or models created to support WIL across the tertiary sector are sustainable.

- **We are highly supportive of working collaboratively with industry, and professional accrediting bodies, to develop models where junior and assistant level positions can be recognised as connected to student learning experiences** – simultaneously providing paid employment and job-ready skills relevant to students’ future careers.
- **The merits of a WIL-HELP model could be developed, similar to the existing OS-HELP.** We recognise the financial challenges for students to undertake placements that enrich their learning and that in some cases, these are mandatory for completion of an accredited degree. We also recognise the constraints of funding much needed transformations in WIL moving forward. For example, while bursaries provide much needed financial support for students, they may not be financially viable or sustainable through publicly funded models.
- **Sustainable and effective WIL needs to have a greater focus in industry and tertiary education over the coming decades.** WIL is not currently leveraging the lessons learnt from the major shifts in capacity that occurred during the pandemic, nor has sufficient attention been paid to bringing productivity and learning together. Sustainable and reliable models are needed that enable placements to contribute to workforce productivity, while still assuring learning. However, we must not assume that the productivity generated by the learner through WIL or the reputational benefits for workforce talent acquisition will offset all costs associated with WIL for the industry partners. Industry will need to build their capacity for WIL, such as develop staff in teaching and mentoring practice, or provide infrastructure for learning and host a greater number of people within the working environment (in person or digital). Industry will need ongoing commitment of resources for delivery of WIL. Industry will need to prioritise involvement in evaluation of models for continual evolution of WIL. Universities are well positioned to support this capacity building, but investment in industry and the higher education sector will be needed to assure quality. In the for-profit sector, drawing on existing international models, this could include the development of tax incentives or subsidies for companies that partner with education providers to provide quality WIL opportunities for domestic and international students.⁵ In the not-for-profit sector, this could include a new model for Commonwealth Support Funding that explicitly engages the not-for-profit organisation in the design of new WIL and the enabling funding models. New models may also reduce some of the competition around paying for placements, that is currently occurring without transparency between universities, driving higher costs and adding barriers to placement growth for some providers.

We are already witnessing students taking longer to complete their degrees. Students already experience the pressure of working while studying. We need to ‘shift the dial’ so that the work students are doing is explicitly contributing to their learning. This is a major driver for micro-credentials – allowing people to pick up “just in time bite size” learning moments while still engaging in the workforce. WIL is another solution to achieve this.

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⁵ For example, see Ontario Canada, where for decades they have had the [Co-op Tax Credit Scheme](#) valued at up to \$3000CAN for each four-month work term. At the federal level, Canada has recently introduced the [Student Work Placement Program](#), which provides up to \$7,000 in wage subsidies for net new roles that hire priority groups, with lesser amounts available for simply net new roles.

Appendix B.2: Faculty of Medicine and Health, reflections on the Accord Interim Report's consideration of issues relevant to mandatory student clinical placements in the healthcare degree programs

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The University of Sydney's Faculty of Medicine and Health welcomes the opportunity to share our reflections on the Accord Interim Report. Our students are the health workforce of the future. We provide the following top three reflections related to work integrated learning (WIL) and the education of students from medicine, nursing, dentistry, diagnostic radiography, exercise sports science, occupational therapy, pharmacy, physiotherapy, speech pathology, social work and clinical psychology enrolled in accredited professional degree programs:

- 1. Recognition of WIL**
- 2. Financial strain of compulsory WIL for students in healthcare programs**
- 3. Lifting the quality and availability of WIL**

1. Recognition of WIL

We strongly support the Accord's focus on WIL as integral for developing graduates with the skills and qualities needed to meet the nation's future needs, particularly in the prevention and management of the chronic health conditions that challenge the wellbeing of individuals and their communities. Of note is the importance of '*building a care economy to meet ageing, early childhood, and disability support needs*' (p. 10) – all requiring WIL.

However, an Accord WIL strategy cannot be a 'one-size-fits-all'.

- a.** WIL within university curricula is diverse, ranging from extra-curricular credit-free voluntary activity (e.g. many business degree programs), voluntary-for-credit, through to being a mandatory, assessed and accredited component of the curriculum (e.g. post-graduate clinical psychology, teaching, and healthcare degree programs).
- b.** WIL in healthcare degree programs refers to the deliberate integration of authentic work-based learning experiences as **purposefully designed, compulsory** and **assessed** components of the curriculum of each externally accredited course. Students learn and are assessed through participating in meaningful workplace activity.
- c.** It is essential that a differentiation is made between non-essential strategies beneficial for progressing voluntary WIL and those critical for **compulsory WIL**, as is the case for healthcare WIL, which can represent 25 per cent, or more, of the curricula for health-related degree programs. Without a separate narrative about WIL in regulated programs there is a risk of 'watering down' the need for compulsory WIL in these programs.
- d.** Across regulated programs there is a wide range of levels of engagement, starting with observations in various industry settings, to shadowing and supporting such as in the medical degree programs, to actual supervised treatment of patients such as in dentistry and many allied health programs.

2. Financial strain of compulsory WIL for students

The Accord interim report recognises the financial strain that the completion of compulsory WIL placements can have on students in healthcare degree programs. This is especially problematic for rural healthcare placements due to relocation requirements and students' inability to supplement income with paid outside work while away from their normal place of residence. Placements can influence where students work after graduating, and so supporting students on placement can have a crucial subsequent effect on addressing workforce needs (e.g. rural workforce).

a. We support, in principle, *'improving WIL and placements by providing participating students with better incentives and financial support'* (p.16).

b. We support a bursary system where placements are compulsory.

We propose the following for healthcare degree programs (however, these may be equally applicable for other compulsory WIL):

I. Greater support for rural/regional placements:

We recommend a Commonwealth/state funded system, similar to the [UK NHS Learning Support Fund](#) and bursary systems to support students attending rural/regional placements (non means tested as most students are impacted in some way).

A new rural funding system would:

- allow for multiple rural/regional placements by the one student and be adjusted depending on weeks on placement to encourage extended placements (while some states and territories offer rural placement payment schemes, e.g. HETI in NSW, they do not all consider placement duration, cover the regions, allow international student access or allow multiple rural placements in the one year).
- be open to domestic *and* international students consistent with the Accord's recognition of the contribution of international students to the education sector and subsequently to the health sector. Inclusion of international students recognises that some who intend to stay in Australia after graduation through either extended working visa arrangements or seeking permanent residence, may take up employment in areas of workforce need, e.g. rural settings as a result of their placement experience.
- Be accessible to all healthcare disciplines undertaking compulsory placements.

II. Greater support for students from low SES backgrounds:

- **We recommend** a Commonwealth/State-funded system, similar to the [UK NHS Learning Support Fund](#) (but means tested) to support students undertaking compulsory WIL experiences (e.g. assisting with travel, reduced opportunity for part-time work, costs associated with caring responsibilities for children etc). This financial support may also act as an additional incentive to attract and retain students to healthcare degree programs where there is a critical workforce shortage.
- **We recommend** 'top-up' university bursaries to attract equity diversity within university cohorts, and the exploration of tax incentives to encourage donations from industry and individuals targeted to provide financial support for students from these backgrounds.

III. Bonded scholarship schemes: **while indirectly related to WIL, we recommend** bonded scholarship schemes for allied health, dental, oral health, nursing and pharmacy students be investigated to address critical workforce areas of need, e.g. rural workforce (similar to the medical program).

c. We are cautious about students entering a paid employment relationship for healthcare degree programs, i.e. where it replaces placement or WIL experience. This model is fraught with conflict of interest in relation to assessment and blurring of boundaries and would require additional external resources to minimise perceived assessment biases, as exemplified by the problems experienced with the current paid employment relationship for full-time Doctor of Clinical Dentistry students who get paid as Dental Officers Level 2 (NSW State Award) at 0.8 FTE. Separate paid work opportunities for students in the healthcare system, whilst encouraged, cannot replace WIL or clinical placement experiences which have different foci.

d. We support, in principle, the promotion of Assistants in Nursing, Medicine and Allied Health roles for healthcare students whilst studying. However, careful consideration needs to be given to ensuring conflicts of interest are avoided (for student and educator and employer), particularly around assessment, and employer priorities versus learning activities.

We recommend a framework be developed to ensure students, educators and employers are well supported.

e. We support, in principle, the introduction of greater flexibility within WIL curriculum for part-time placements to enable students' options to continue reasonable amounts of part-time work whilst

undertaking compulsory placements. This, however, would require lead-in time to re-design curriculum as placements are only one part of a larger curriculum map.

3. Lifting the quality and availability of WIL

We strongly support the Accord Interim Report's emphasis on strong partnerships between education providers, industry, professional associations, and government in ensuring high quality, innovative WIL experiences. We provide the following suggestions for WIL in healthcare degree programs.

- a. **Gain a National agreement on the shared purpose of WIL amongst key stakeholders:**
For example, creating a health workforce of the future capable of delivering excellent healthcare that is responsive to community needs.
- b. **Develop a consistent and transparent set of policy principles for allied health placements on the payment to industry by education providers for WIL experiences:**
 - Payment by education providers is counter-intuitive in a climate where health, aged care and disability sectors are facing critical workforce shortages; state and territory public health systems receive significant funding from the Commonwealth to support compulsory student placements; it sets up unhelpful competition between universities and other education providers; it risks making arrangements between employers and education providers transactional; and has not increased WIL quality for those working under a payment system.¹
 - **We recommend** a national stance on payment to industry for allied health placements be agreed to by the Commonwealth, states and territories and applied through the National Health Reform Agreement. This should encompass private as well as public organisations.
- c. **Develop a national Commonwealth funding model for nursing and midwifery placements based on a national daily rate for facilitators:**
This would incorporate a mentorship program organised by industry partners that enables more integrated learning in practice (similar to UK model where every registered nurse is responsible for the education/supervision/mentorship of students).
- d. **Create mutually beneficial placement partnership models:**
There is a growing body of evidence highlighting the mutual benefit of student placements to service delivery, healthcare outcomes and student learning. There is strong potential to upscale these placement models whereby students are integrated into service-delivery to become part of the solution to healthcare challenges, value-adding to organisations and addressing workforce needs. Additionally, the development of co-designed and mutually beneficial placements increases the potential for graduating students to be more rapidly integrated into the workforce. Key to the success of these innovative placement models is the co-design between the community, education providers, healthcare and other service providers, and students.^{2,3}
- e. **Introduce industry incentives to resource healthcare practitioners to host placements:**
Placements for healthcare students take place across a diverse range of contexts, including public and private healthcare settings, not for profit, aged care, disability, and schools. Support for placement providers is critical for ensuring high quality WIL.
 - **We recommend** incentives (potentially via tax incentives and/or reduced AHPRA/ professional registration) for organisations and individuals hosting student placements to increase capacity. Any incentive should be linked to quality indicators.
- f. **Instigate a nationally funded co-ordinated program of health professional education research for innovative and sustainable placement models:**

¹ Nisbet G., McAllister, S, Morris, C., Jennings, M (2021). Moving beyond solutionism: re-imagining placements through an activity systems lens. Med Ed. <https://doi.org/10.1111/medu.14345>

² Jones, D., Randall, S., Williams, A., Waters, D., White, D., Haddadan, G., ... & Parr, S. (2022). Strength of cross-sector collaborations in co-designing an extended rural and remote nursing placement innovation: Focusing on student learning in preference to student churning. *Australian Journal of Rural Health*, 30(6), 801-808.

³ Nisbet, G., Thompson, T., McAllister, S., Brady, B., Christie, L., Jennings, M., ... & Penman, M. (2022). From burden to benefit: a multi-site study of the impact of allied health work-based learning placements on patient care quality. *Advances in Health Sciences Education*, 1-33.

This could include funding for demonstration sites/projects capturing placement quality and quantity/programs that enable facilitators and practice mentors to engage in and facilitate meaningful learning opportunities.

We support, in principle, a national brokering system for the organisation of placements and provide the following suggestions:

- g. Healthcare placements should not be sourced by students due to the complexity of ensuring accreditation requirements meet the depth and breadth of experience in a range of environments across the client lifespan, and the need to monitor quality and safety of placements.
- h. Brokering could take the form of a consortium, combining public and private organisations. Queensland Health provides a useful model that could be adapted.
- i. Heuristics-based automated decision support systems should be explored to manage the numerous variables associated with placing students, including establishing parameters for calculating the number of students that can be accommodated in any one placement setting.
- j. Supervision models should be underpinned by sound educational principles.
- k. There should be a shared accountability between placement and education providers for the quality of the learning experience.
- l. Consideration should be given to credentialing (or similar concept) WIL and placement educators/facilitators to introduce formal qualifications to those facilitating WIL. Investment in site educator capabilities would assist in building workforce capacity and overall WIL quality.

Note: The Council of Deans of Nursing and Midwifery is in the process of designing programs to address points k and l and these will go live in 2024.

Measures of success to track outcomes of the Accord's WIL recommendations

We recommend agreement on and implementation of a National WIL quality framework. This would incorporate evaluative feedback from all stakeholders: students, education providers, placement providers, professional bodies, government allowing benchmarking across institutions. Examples of tools are included below.^{4,5,6}

This framework would incorporate key performance indicators for higher education providers to ensure the support for WIL activity was explicitly recognised in workload models, adequately resourced to meet quality standards, and recognising the learning and pastoral support needs for students on placement, especially when on rural and remote placements.

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⁴ Campbell, M., Russell, L., McAllister, L., Smith, L., Tunny, R., Thomson, K. and Barrett, M. (2019). *A framework for the institutional quality assurance of work integrated learning*. <https://acen.edu.au/resources/a-framework-to-support-assurance-of-institution-wide-quality-in-work-integrated-learning/>

⁵ Smith, C., Ferns, S., and Russell, L. (2016). Designing Work-Integrated Learning Placements That Improve Student Employability: Six Facets of the Curriculum That Matter. *Asia-Pacific Journal of Cooperative Education*, 17(2), 197-211.

⁶ McAllister, L., Nagarajan, S., Scott, L., Smith, L. and Thomson, K. (2018). Developing Measures of Placement Quality in Allied Health, Dentistry, Medicine, and Pharmacy. *International Journal of Practice-based Learning in Health and Social Care* 6, 31-47.