

Australian Universities
Accord (Interim Report)

ENQUIRIES

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INTRODUCTION

La Trobe University welcomes the opportunity to respond to this Interim Report. La Trobe supports the Interim report's five Priority Actions and looks forward to their swift implementation. In line with the Panel's request, this submission is structured as follows:

- A. La Trobe's Key Priorities/Positions on the Interim Report Proposals.
- B. Three Reflections on the Interim Report
- C. Areas of Agreement with the Interim Report
- D. Areas of Disagreement with the Interim Report

Attachment 1: La Trobe's view on each of the report's policy ideas

La Trobe's Key Priorities/Positions on the Interim Report Proposals:

La Trobe supports:

- Targets for tertiary education participation and attainment, including for higher education, through consultation with Jobs and Skills Australia (JSA) and the VET sector
- Specific higher education participation targets for students from underrepresented backgrounds and equity groups to achieve parity by 2035, provided further modelling is commissioned to ensure these targets are achievable
- The establishment of a Tertiary Education Commission which should, as a priority, devise an overarching plan for higher education in Australia
- A funding model/approach that addresses the specific challenges and costs of higher education delivery in regional Australia
- Alignment and collaboration between the higher education and vocational education sectors
- Putting First Nations at the heart of Australia's higher education system

In addition to the above, the Australian Universities Accord (the Accord) should:

- Set specific targets for the required government investment in Research and Development (including basic research)
- Provide more clarity on the nature of the projected growth in higher education participation and attainment, including on the type of institutions that will deliver this growth while making sure that no two-tier system of institutions is created
- Provide specific recommendations on identifying disadvantage and the reasons for lower participation and attainment among equity cohorts at an earlier stage (than school-leaving age), with alternate pathways (beyond ATAR) supported by government
- Strengthen the provisions relating to "reducing the cost of living barriers to higher education through improved income support measures and more opportunities for part-time study"

A. THREE BIGGEST REFLECTIONS ON THE INTERIM REPORT

Reflection 1: The Accord must set targets for the Australian Government's investment in Research and Development expenditure (including basic research) to be in the OECD's top quartile by 2050

In the same way that the Interim Report recommends setting headline targets for overall higher education attainment and for participation from equity cohorts, headline targets should be set for investment in Research and Development. Overall, the Accord should strengthen the case for adequate research funding and why it is important not just for the sector but for the country. La Trobe supports the proposal to move over time to "ensure the National Competitive Grants cover the full cost of undertaking research" provided that the overall quantum of funding for research increases significantly. Otherwise, this would mean even further concentration of research and lower success rates overall. La Trobe supports the intent to encourage "government to become an exemplar user of university research". Accordingly, it is essential that with regard to Category 2 research

(Other Public Sector/R&D income), governments themselves (local, state and federal) move towards covering the full cost of undertaking the research they commission. As a first step, we recommend a target of funding the indirect cost of research (across whole-of-government) at 50 cents to the dollar with a move towards funding the full cost of research as the longer-term goal.

Reflection 2: The Accord must provide more clarity on the nature of the projected growth in higher education participation and attainment and on the type of institutions that will deliver this growth while making sure that no two-tier system is created.

An expansion on the scale envisaged in the Interim Report will require many changes to the current system. As it stands, the university sector simply does not have the capacity to accommodate this growth. Much of this expansion will probably have to take place in institutions which currently do not exist, or else more higher education provision must take place outside the university such as in TAFEs and/or NUHEPs. A key challenge for the Accord is to identify what these institutions will be and how their quality will be assured. There is no doubt that this will require an overarching plan for higher education that Australia currently lacks, and which should be an immediate priority of the proposed Tertiary Education Commission.

Should new and/or additional institutions be established to absorb this growth, a key challenge will be to ensure that the new institutions are adequately placed to cater for equity cohorts (from which the majority of increased participation is expected). Keeping in mind the intent of the Dawkins reforms, another key challenge will be to ensure that in the drive to create additional institutions, we do not create a two-tier system.

Reflection 3: The Accord should make stronger recommendations on whole-of-government approaches to overcoming existing financial barriers to higher education

La Trobe supports the Interim Report's proposal "to reduce the cost-of-living barriers to higher education through improved income support measures and more opportunities for part-time study". La Trobe's experience in working with equity cohorts (especially regional, rural and remote students) has demonstrated that the reasons for the lack of participation or lower levels of attainment may have nothing to do with a lack of aspiration or lack of support from their higher education institution. Often, the reasons are financial. Students are simply unable to dedicate themselves to study because they cannot afford living costs without full-time work. We believe that this issue can be addressed via a whole-of-government approach and via policy levers outside the education system such as improved Centrelink support, lowering the age of independence and improved childcare settings. (See Section D.g. in Attachment 1 for more details).

B. AREAS OF SUBSTANTIVE AGREEMENT

Specific higher education participation targets for students from underrepresented backgrounds and equity groups to achieve parity by 2035: La Trobe welcomes the Interim Report's focus on lifting participation from equity groups though further modelling should be commissioned to ensure these targets are achievable. It is also clear that a significant injection of funding will be required to enable these ambitious targets to be reached. On the basis of our experience of working with equity cohorts, we submit that it is important to keep in mind the cumulative disadvantage of membership of multiple equity groupings. It is also essential to identify disadvantage and the reasons for lower participation and attainment among equity groups at earlier stages than university, namely in the early learning and school settings. The ongoing parallel reviews in the schools and early childhood systems are a unique opportunity to connect the dots across the nation's education system. Accordingly, we strongly welcome the Report's proposals to "increase access to preparatory and enabling programs to provide more pathways into higher education, "to improve career advice" and to "align and improve outreach programs across early childhood, primary and secondary education" Our experience has been that these alternate pathways, such as La Trobe's Shepparton and Albury-Wodonga pathways work well, with program participants over four times more likely to attend tertiary education than the average participation rate in each catchment. However, these pathways are currently reliant on funding from philanthropy and we therefore strongly recommend government support for pathway programs.

Putting First Nations at the heart of Australia's higher education system: La Trobe strongly welcomes this statement provided that all relevant policy proposals (including a First Nations Higher Education Council, self-determination approaches to funding and policy settings and the development of partnerships with higher education, research, and industry partners) are approached from an Indigenous standpoint i.e. In building a

nation of reconciliation and equality, First Nations must be the designers of any functional or policy development principles. Moreover, when developing some of the Accord's proposed ideas, such as the Tertiary Education Commission, First Nations should be positioned 'at the heart' of these developments to enable the representation of Indigenous understandings from within.

Alignment and collaboration between the higher education and VET sectors: As a university with very strong partnerships with TAFE counterparts, La Trobe has long called for greater alignment between the two sectors. We would also welcome the remit of the proposed Tertiary Education Commission over time to include a pursuit of "greater opportunities for alignment and collaboration between the higher education and VET sectors". Some of the current barriers to the alignment of the two sectors include the failure to rehaul the Australian Qualifications Framework (though we would recommend a lighter version than the one proposed by the Noonan review); a lack of data on students transitioning between the two sectors (especially from higher education to vocational education) and the cumbersome way in which TAFE qualifications are updated.

Tertiary Education Commission (TEC): La Trobe supports the proposal for a TEC, charged with overseeing the development of a fit-for-purpose tertiary system and operating with a degree of independence from Government. As outlined in Reflection 2, a key priority for the TEC should be the formulation of an overarching plan for higher education in Australia, which will outline in detail how the targets and the priorities of the Accord will be achieved, including the mix of higher education providers which are needed to deliver the planned growth in the system. In the last decade, the sector has been subject to successive policy changes, at times aimed at genuine reform but more often aimed at containing expenditure. A strong TEC would provide much needed stability for providers, students and industry. In turn, the sector would be in a better position to innovate to address national priorities whether they are areas of skills shortages or research priorities. La Trobe supports the Accord's proposal for the TEC to work closely with the regulator (TEQSA) to enable "innovation in the tertiary education system". Functioning as a 'Guardian of the Accord', and working as a conduit between the Government, the sector and the Department of Education, we believe that a TEC has the potential to provide much-needed stability and structure to Australia's tertiary education landscape.

A funding model/approach that addresses the specific challenges and costs of higher education delivery in regional Australia: As a university with a strong footprint in regional Victoria, La Trobe knows all too well the challenges of regionally-delivered higher education, characterised by thin markets, higher costs of regional delivery and a majority of students studying part-time which tends to co-relate with a stronger need for student support. Despite several reviews and attempts at reform, the current policy funding settings are not working well for regionally-based universities. In addition to the higher cost of delivery, it is harder to achieve economies of scale in general operations and harder to attract international students (though preferential Post-Study Working Rights has been welcome as well as Destination Australia scholarships). A related challenge, linked to the Accord's overarching aim of lifting participation from equity cohorts, is how to raise aspiration in regional, rural and remote Australia. We therefore welcome the Interim Report's focus on regional delivery. The Accord should look at a suite of approaches to address the challenges of regional higher education, including the pros and cons of a national regional university as well as innovative methods of delivery (such as short courses and stackable micro-credentials) that would better suit the continuum of learning preferred by rural and regional cohorts.

C. AREAS OF SUBSTANTIVE DISAGREEMENT

Levy on international student fee income: La Trobe strongly opposes the Interim Report's proposal to introduce a levy on international student income as a funding mechanism to provide insurance against "future, economic, policy or other shocks" or to fund national and sector priorities such as infrastructure and research. In the first instance, the treatment of international students as merely a source of revenue contrasts with the Accord's other priority for international education "to support broader Australian foreign policy objectives". Secondly, what the sector needs, particularly if it is to meet the expectation of performance relative to OECD counterparts, is additional investment, not a shuffling of existing funds. It is worth noting that universities already pay levies linked to the recruitment of international students, namely the CRICOS Annual Registration Charge and the Tuition Protection Service Levy.