

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

## **Western Sydney University**

Western Sydney University welcomes the opportunity to make a submission to the Accord panel in response to the ideas raised in the Australian Universities Accord Interim Report. I am responding on behalf of the University.

We welcome the Interim Report's immediate actions and commend the Minister for accepting these and commencing implementation. These are necessary steps to creating a fairer education system which meets Australia's future skills needs. In considering 'What Next', we urge the panel and the Government to be bold in designing a future Higher Education sector. This is a once-in-a-generation opportunity to improve the sector for the benefit of the community, individuals, and the nation at large.

Our response identifies priority areas for the next stage of reform which are outlined below.

### **1. Indigenous representation and self-determination**

For Indigenous people to truly be at the heart of the Australian higher education system, effective mechanisms are needed to ensure that their involvement in university and sector decision-making moves beyond representation (while increasing, it remains insufficient across all institutions and levels of the sector) towards self-determination. A key component is ensuring Indigenous people are well positioned to make decisions about our futures and the mechanisms and requirements exist to embed their voice in institutional and sector decision making.

One way to achieve this is by creating an Indigenous Commissioner as part of a proposed Tertiary Education Commission (TEC) along with requiring all universities to include Indigenous-agreed objectives and targets in a mission-based compact process. WSU also backs the Interim Report's suggestion to conduct a more detailed review of Indigenous higher education which should include university governance and the Indigenous voice.

### **2. Mission-based funding agreements**

WSU strongly supports a move towards a revised funding model which would provide medium-term (e.g. five-year) financial security to institutions. This would help avoid stop-gap responses to short-term load challenges which risk diminishing the student experience.

Funding models should account for differences in the missions and goals of individual institutions. Treating every institution equally creates inequity. Differences in student profile, discipline mix, location, and research focus, for example, should be reflected in differences in funding models and governance to enable individual institutions to best meet their specific mission and goals.

We recommend that institutional plans to increase the access and participation of equity students are funded on a mission basis, moving away from funding being enrolment or cohort based. This would better reflect the diversity of students within the communities that universities serve.

Funding models should provide flexibility for institutions to respond to student and community needs, with ability to apply CGS to Enabling, UG, PG and approved microcredentials as needed to meet student demand, or community needs, or national priorities.

Across the sector, these mission-based funding agreements should collectively align with national priorities, strengthening Australia's position as a world-leader in higher education, while recognising the critical and central role of academic and institutional freedom. An independent body such as a TEC would be an appropriate body to oversee the agreements.

### **3. A Tertiary Education Commission which supports a coherent tertiary education system.**

WSU supports the proposed introduction of a TEC. The emphasis on Tertiary should not be lost.

One of the TEC's core functions should be to identify ways to move towards a fully coherent national tertiary system. This will require changes to regulatory frameworks and bodies, decisions around responsibilities of state and federal departments, a revised qualification framework and a revised funding model.

The TEC could also advise on broader, emerging issues for the sector, such as skilled workforce needs and physical and digital infrastructure challenges.

#### **4. Priorities to address educational disadvantage**

We strongly recommend the panel seriously consider introducing income- or circumstance- contingent grants for students in greatest need.

We suggest considering funding models designed to alleviate the financial burden or “opportunity cost” of undertaking a bachelor's degree, for example the previous UK model of 'maintenance grants'. While not covering full living costs or expenditure (e.g., the total amount awarded for most in financial need was about \$18,000 per year), these grants reduced the financial burden and helped minimise the impact of “time poverty” that can lead to poorer outcomes for low socio-economic students because they need to juggle part-time work and study.

Feedback during the Accord process also identified student placements as another key barrier for low socio-economic students. With many bachelor's degrees now incorporating placement hours, this time detracts from the ability of students to work and financially support their living expenses. Anecdotally, employers or placement providers have offered to subsidise or pay students for placement work, recognising the contribution they make while undertaking workplace related learning. We believe this model should be expanded into a national scheme that provides guidelines to universities and employers with a reasonable expectation of a stipend.

A 2022 report by the National Union of Students and Foundation for Young Australians indicated that concerns about funding living costs have a detrimental impact on the experience of students and their academic achievement.

Given the vital role that pre-access programs play in encouraging students from equity groups to access higher education, longer term funding commitments are essential if the sector is to meet the future supply of students and achieve the 55 per cent degree qualified population target for 2050.

Currently no centralised data exists to understand nuanced equity group outcomes including access, retention and success. This limits the ability of the sector to align and improve outreach across the school experience for students. Data collection can be improved across both student equity cohort tracking as well as monitoring, reporting and improving outreach activities to understand the impact of intervention strategies and share best practice.

#### **5. Education to meet skills needs**

To meet the region's skills needs, support lifelong learning and expand work-integrated learning opportunities for all students, the sector's regulatory frameworks, funding models and qualification frameworks must be more innovative, agile and responsive.

Our education and training ecosystem requires complementary offerings that include both traditional qualifications from different types of providers as well as new forms such as quality assured microcredentials. This will also require a newly integrated funding scheme to support learners and providers. For learners, the Universal Learning Entitlement (ULE) offers the possibility of truly student-centred access to education.

A 'ULE fund' could be made up of employer and industry contributions or levies to fund priority skills gap training. Additional contributions could be provided via philanthropic donations and tax incentives to support the investment in Australia's future skilled workforce.

Under the changing nature of tertiary offerings, education providers will need access to targeted curriculum development and delivery funding to rapidly meet the emerging skills needs of industry and address regional workforce shortages. This will require start up institutional investment in new staff capability and system infrastructure by providers. For universities, this could involve a combination of the proposed mission-based compacts and data driven funding for integrated microcredentials development and deployment.

The way skills gaps are emerging means that the learners who are most in need of complementary educational offerings, such as microcredentials, are already working. We therefore need to rethink how we engage with employers to deliver new forms of qualifications and professional renewal. In addition, we also need to find new ways of enabling participation and valuing the outcomes for employees who access microcredentials.

Employers have to do more than simply telling educators what skills are lacking in the workforce. They need to be supported to genuinely collaborate with educators to design, deliver and credential education. Importantly, industry will need to ensure employees have meaningful access to learning, new forms of learning support, and develop new models of workplace learning.

Incentivising employers to treat higher education (HE) and vocational education and training (VET) learners as part of their workforces would help reshape Australia's current approach to work-integrated learning and help address the challenges of scale and placement poverty.

To achieve a seamless inter-operability across the education ecosystem, Jobs and Skills Australia classifications will need to bridge HE and VET curriculum systems and align with employer recruitment and advancement mechanisms. This 'common currency' should be embedded in the Australian Qualifications Framework review and would move the sector towards the possibility of a genuinely transferrable at-scale credit recognition system. The current work on multiple versions of a skills passport provides opportunities to create such a unified platform.

Workforce and skills needs cannot be met without work-integrated learning (also referred to as placements, internships or practicums). Currently there are insufficient places for students to undertake these experiences, and even complete required numbers of placement hours in some areas.

Requirements by professional accreditation bodies create barriers to providing sufficient placements for the number of students who seek to work in these professions and impede the development of the required numbers of graduates in areas of critical workforce shortage, including nursing and education. A review of placement requirements is essential, not only to address placement poverty for students, but also to ensure the necessary pipeline of graduates into the workforce. The burden for training future employees should be shared by government (through the education system) and employers themselves.

## **6. A fairer, more sustainable research funding model aligning industry investment with national priorities**

Australia's primary granting bodies award only part of the funding required for a research project. Despite the contribution awarded through the Research Support Program, the Interim Report acknowledges that universities still need to make up the shortfall and that 'winning competitive National Grants costs universities money' (p.106).

Full cost recovery is unrealistic in the current climate and attempts to secure these funding levels could impact National Competitive Grant success rates unless new funding sources are allocated.

Inroads can be made with funding from state and federal government departments that are equipped to cover full research costings, including the time of researchers. Given the development of the federal government's in-house consulting model, the timing is right to endorse this more accurate – but still more cost-efficient – model than the one previously delivered by consulting agencies. A contribution of 50 cents to the dollar for indirect costs would safeguard university research and, in turn, secure Australia's primary sites of research and development.

To foster industry collaboration that allows more easily for full cost recovery, industry needs incentives. The research and development (R&D) tax incentive has been ineffective in driving increased rates of business expenditure on R&D. It currently does not incentivise collaboration for innovation, it is not targeted to national priorities and it specifically excludes Humanities Arts and Social Science research.

WSU believes the R&D tax incentive should include additional bonus tax incentives to boost business-led investment in R&D partnerships aligned with national policy objectives. These could be extended to support industry investment in education, for example:

- businesses investing in new partnership offerings with universities that provide training opportunities for up-skilling and re-skilling their workforce in areas of skill shortage, or provide opportunities for student internships, placements or work-integrated learning opportunities.
- businesses working with universities to produce measurable outcomes from the R&D collaboration.

## **7. Central Importance of International Education**

There must be clear and unambiguous support at a whole-of-Government level for the positive contribution that international education makes to this country and its reputation globally. Signalling in any way that Australia sees international education as a transactional or a financial exchange between a student and an institution is short-sighted.