

Australian Universities Accord Discussion Paper – RMIT University Submission

Date: April 2023

Introduction

The Australian Universities Accord (AUA) Discussion Paper calls for bold ideas and solutions for the long-term vision of Australian post-school education. RMIT University (RMIT) responds to this and offers **four solutions** which can be achieved through clear policy steps that aim to create a more **prosperous, sustainable, and equitable future for all Australians**.

RMIT has also provided contributions to the submission from the Australian Technology Network of Universities (ATN), and RMIT endorses this contribution to the AUA consultation.

RMIT has an overall aim in response to question four of the Discussion Paper which is used to guide our policy responses:

*Discussion
Paper
Question
4*

Q4: Looking from now to 2030 and 2040, what major national challenges and opportunities should Australian higher education be focused on meeting?

*RMIT
University
Proposition*

By 2040 all Australians of working age will have participated in education at the tertiary level, via university and/or vocational education, as part of their lifelong journey through learning and work.

This aspiration brings together a vision for Australian universities to work alongside their local communities and industries in a collaborative partnership with governments at both State and Commonwealth level. It works to bridge the gap between system-level policies and the realities for individuals who are engaging with work and learning, by developing a shared system that is deeply embedded in Australian communities and builds the dynamic shared capabilities that spread shared benefit.

The connection between post-school education and individual learners needs to become an on-going, interactive relationship. Students in Australia are no longer either a ‘school-leaver’ or a ‘mature-aged’ student; they are skilling, re-skilling, up-skilling, and navigating educational pathways between work, skills and aspirations across their lives. The way we invest in learning requires a longer lens which values the lifelong quality of educational experiences.

Our current workforce is not yet a modern workforce: a stark skills gap exists throughout all sectors and skill levels¹. This issue cannot be fixed solely by a migration-focused solution. The provision of knowledge and skills alone however cannot be an end in and of itself. Planning for this future workforce requires a long-term perspective to build adaptive *career* paths for individuals, rather than focusing solely on short-term programs, jobs and insecure work.

RMIT's submission offers four clear solutions, grouped by the questions and themes raised in the Discussion Paper. Our solutions draw on big ideas but are grounded in achievable, actionable steps.

Many of these solutions are already being enabled at RMIT, together with our partners. This demonstrates the potential value of dual-sector providers to offer students pathways between vocational and university education; and working with local infrastructure and industry to build innovation into our teaching, research and community engagement. There is now a clear opportunity to bring these ideas and practices to scale, through new policy settings and funding arrangements to enable all post-school education providers to meet the needs of their local communities in the future.

Recommendations

Develop coherent policy and funding in 'accord' with State and Territory governments to invest in work-based learning that connects across the vocational and higher education interface

Formally review funding for learning and teaching with the intent of introducing standardised student contributions and supporting Australians to continually access university and/or vocational education throughout their working lives

Develop funding and policy arrangements that move toward a more nationalised and collaborative approach to matching the effective supply and demand for knowledge and skills

Ensure that the international student experience provides opportunities to fully participate in university education and consolidate the broader purpose and contribution of international education to Australia's prosperity

Recommendation 1: Develop coherent policy and funding in ‘accord’ with State and Territory governments to invest in work-based learning that connects across the vocational and higher education interface

<i>Discussion Paper Question 8</i>	<i>Q8 What reforms are needed to promote a quality learning environment and to ensure graduates are entering the labour market with the skills and knowledge they need?</i>
<i>Discussion Paper Question 13</i>	<i>Q13 How could an Accord support cooperation between providers, accreditation bodies, government and industry to ensure graduates have relevant skills for the workforce?</i>
<i>Discussion Paper Question 14</i>	<i>Q14 How should placement arrangements and work-integrated learning (WIL) in higher education change in the decades ahead?</i>

Challenge

The future of work in Australia requires applied knowledge: knowledge and skills will be acquired, renewed, and updated over a lifelong journey through learning experiences that will be unique for every Australian.

Careers are formed through this ongoing relationship with education and work over a person’s lifetime.

Australians with less previous education who are seeking (or forced) to transition from existing occupations or industry sectors toward areas of new employment demand are underserved, in some instances critically. This cohort is increasingly exposed to changing labour market demand yet experience the highest barriers to reskilling.

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

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

Further, with 74% of businesses expressing support for employing university or TAFE students as higher-level apprentices or cadetsⁱⁱ, dual sector institutions understand the strong appetite for new apprenticeship-style training contracts beyond the traditional trades.

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

The Australian Government's recent Advanced Apprenticeships pilotⁱⁱⁱ demonstrated the willingness from industry and the educational sector for higher-level apprenticeships. However these types of courses are not embedded in Australian policy^{iv} as they are in places like the United Kingdom which have embedded qualifications such as Degree Apprenticeships. In Australia, these types of courses remain the sporadic exception, not the well-understood norm. Courses at the 'mid-tier' of the AQF lack a specific identity and value for potential learners who are still accustomed to the traditional ideas of undertaking *either* TAFE, university, or work.

A unified national strategy to implement work-based-learning qualifications which leverages the AQF reforms, the Review of University-Industry Collaboration in Teaching and Learning, and outcomes of the Jobs and Skills Summit^v, is yet to be realised: the Accord offers a timely opportunity to address this need.

Solution

Employers in occupations which require a pipeline of highly-skilled workers would greatly benefit from a set of nationally recognised work-based-learning qualifications — such as Degree Apprenticeships — combining the practical skills taught in vocational education with the analytical knowledge acquired in higher education.

This type of qualification would operate at the paraprofessional level around the 'mid-tier' of the AQF, embracing full undergraduate qualifications but also opening opportunities for career mobility and further study through lifelong learning, transition-to-work and hybrid work-based qualifications that connect across the vocational and higher education interface.

For new employees, this qualification has practical, tangible benefits from the outset: a guaranteed wage and employment contract alongside the longer-term benefit of professional networks and a recognised tertiary qualification.

RMIT recommends:

- a. Expanding Commonwealth support for higher education work-based-learning, while reviewing and aligning trades apprenticeship qualification funding in relevant areas
- b. Prioritising investment for workers (scholarships and cadetships) in occupations that are at risk of obsolescence as identified by the National Skills Commission (Jobs and Skills Australia) to test models of work-based learning as a path toward scale,
- c. Provide nationally consistent and industry-calibrated funding to support workplace learning, aligned with the National Skills Classification,
- d. Continue and accelerate reform of the AQF consistent with the Noonan Review recommendations,
- e. Ensure that micro-credentials, rigorously defined, can be integrated where relevant into larger qualification and credit structures,
- f. Review and extend the employer and apprentice conditions and subsidies currently in place for trade apprenticeships to higher education work-based-learning qualifications and review these incentives to ensure national consistency and adequacy.

Benefits

This spectrum of mid-tier 'learn-and-earn' qualifications will improve workforce transitions; increasing the efficiency and effectiveness in which skills investments can be translated into application, and thus the speed at which workers can enter the workforce or move between industry sectors and address workforce shortages.

The inclusive design of these qualifications is also of critical importance. Operating at the mid-tier or paraprofessional level of knowledge, skills and application^{vi}, this expanded spectrum of qualifications provides a more inclusive and accessible pathway for learners with less academic preparation, and for more diverse (often mature) learners who face intractable opportunity-cost barriers to workforce transition.

Analysis of ABS data suggests that the most significant barrier to participation in tertiary education for mature students (over 25 years old) are financial reasons and issues balancing study with existing work or personal commitments^{vii}. This finding was stronger for survey participants interested in enrolling at a sub-bachelor level of study^{viii}. This cohort of workers, previously disengaged from tertiary education, can be offered access to skills without forcing a choice between re-training and income, through an expansion of these qualifications.

Recommendation 2: Formally review funding for learning and teaching with the intent of introducing standardised student contributions and supporting Australians to continually access university and/or vocational education throughout their working lives

<i>Discussion Paper Question 11</i>	<i>Q11 How should Australia boost demand from people to study in the higher education system?</i>
<i>Discussion Paper Question 12</i>	<i>Q12 How should an adequate supply of CSPs be sustained and funded, as population and demand increase?</i>
<i>Discussion Paper Question 48</i>	<i>Q48 What principles should underpin the setting of student contributions and Higher Education Loan Program arrangements?</i>

Challenge

Australia has a persistent challenge to build a larger, higher-skilled and more productive workforce, while maintaining high incomes and living standards to create more opportunities for more Australians.

This challenge is only growing in salience, as Australia experiences a tightening labour market, resulting in a third of current occupations experiencing skills shortages^{ix}.

Compounding this, the pace of technological change now makes skills increasingly mismatched or repeatedly redundant across a lifetime. As a result, two-thirds of Australian workers today are employed in occupations at risk of obsolescence; as technological change, global challenges and macroeconomic trends place new demands on the labour market.

The result is industries with more persistent and entrenched skills shortages, and workforces that face increasing precariousness and vulnerability.

More of the same will not solve this challenge.

If we are to aim for broader access to education, and a higher level of tertiary participation, there is a necessary implication that the sector will need to grow and accommodate more Commonwealth places for students over time.

As many earlier submissions to the Accord process noted^x in relation to the funding offered by the Job-Ready Graduates package, there have been significant failures in addressing both overall funding of the tertiary sector and also in the intent to influence student choice toward what was deemed as a desirable course choice using government-led pricing levers. Instead, these levers have – irrespective of intent – placed further burden^{xi} on students who are already facing longer-term impacts of debt and entrenching existing inequalities.

Solutions

Whilst growth in student places at universities must improve in order to fulfil the aspiration of lifelong learning (and its related productivity benefits), the nature and structure of these places will change.

There will be additional emphasis on shorter transition-to-work programs, increasing take-up of micro-credentials, and greater integration with work (with associated opportunities for co-investment).

Policies supporting this lifelong learning transition must change to respond to these new, more dynamic times, such that Australia can enjoy the associated participation and productivity benefits that stem from it.

Student contribution amounts must reflect overall aspiration toward universal participation; and remove artificial signals and influences on course selection.

Simultaneously, students must have mechanisms to re-engage with post-school university and/or vocational education to build up and add to their knowledge and skills in response to a dynamic labour market and economy.

Institutions must have the core capability to service different cohorts of learners — in more episodic experiences — and the flexibility to integrate learning and work.

In order to move this forward, a formal review of funding for learning and teaching should be carried out with the intent of supporting Australians to continually access post-school education throughout their working lives. The principles that should underpin this review are:

- a. Students contribute a standardised ‘fair price’ or student contribution amount for university study, irrespective of discipline,
- b. Students are supported through a personalised, renewable, income-contingent loan scheme that can be used for an initial tertiary qualification, and then subsequently throughout a student’s working life to upskill and reskill,
- c. That student contribution amounts be put alongside a higher education resource standard to fund universities. The resourcing standard should reflect differences in learning and teaching provision across disciplines, pedagogies (i.e., reflective of work-based learning elements mentioned above), equity cohorts and regional differences,
- d. Income-contingent loan repayments support continued engagement in lifelong learning and are adaptive to life-stage and circumstances,
- e. That access to post-school education be prioritised, reviewing equity provision and enabling policy, while also setting national targets for access, participation and outcomes.

Benefits

The recent Productivity Commission Inquiry highlighted the vital link between educational attainment and its returns for productivity and developing human capability^{xii}. Investment in human capital – through the primary pillar of education – increases the capacity for individuals to participate in the broader community at the same time as increasing their opportunity for higher earnings and better health outcomes.

Investment in human capability drives successful engagement with the labour force, both through initial post-school education experiences and additional lifelong learning opportunities in the form of workplace learning and shorter qualifications for reskilling and upskilling.

A key enabling factor in the Productivity Commission's report was about future productivity growth in the services sector^{xiii}. While automation and digitisation have changed the labour force requirements for manufacturing and agricultural sectors towards less 'hands' per productive function, the social care sector requires greater investment in human capability. While new technologies in health are promoting better health outcomes and diagnostics, the productivity returns in the social care sector are enabled by strong staff-to-resident ratios (in the aged-care sector, for example) and targeted knowledge, skills and experience which promote informed and engaged staff. Here it is the quality of education experience which enables stronger returns.

A consistent, transparent, equitable student contribution price for students will enable students to follow their interests and career ambitions without artificial, counter-productive incentives. More standardised student contributions can also provide a basis for more integrated learning pathways across the post-school system (i.e. across jurisdictions, vocational, higher education and different skills or discipline clusters).

Coupled with a more adaptive income-contingent loan system, working-age Australians will have the confidence to upskill and reskill in areas of effective employment demand, and to contribute to their learning and career pathways.

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

Recommendation 3: Develop funding and policy arrangements that move toward a more nationalised and collaborative approach to matching the effective supply and demand for knowledge and skills

*Discussion
Paper
Question
23*

Q23 How should an Accord help Australia increase collaboration between industry, government and universities to solve big challenges?

*Discussion
Paper
Question
26*

Q26 How can Australia stimulate greater industry investment in research and more effective collaboration?

*Discussion
Paper
Question
35*

Q35 Where providers make a distinctive contribution to national objectives through community, location-based or specialised economic development, how should this contribution be identified and invested in?

Challenge

Australia has a strong tertiary education sector, but the supporting structures and systems of coordination are outdated and fragmented, and their relationship to strategic urban and regional planning needs to be refocused and renewed.

There is little that connects education, skills or research investments with clusters of employment, national priorities such as shared infrastructure investments, or workforce demand across region or industry priority.

Further, differences across post-school education in qualifications design; delivery and assessment requirements; accreditation standards; the approaches of system regulators; eligibility for public funding; access to income contingent loans and accountabilities to government agencies; all hamper the capacity to design and deliver a coordinated approach to 'in demand' education and skills.

There needs to be more effective methods in place to ensure that skills investments anticipate or reflect industry transformation, and settings which spur systemic innovation in skills formation along with industry co-design and investment.

Solutions

Government collaboration and coordination lie at the heart of the solution to this challenge, alongside the development of a coordinated, modern and fit-for-purpose skills, qualifications and credentials architecture (or common language for skills and education) which brings together a learner's full range of tertiary qualifications and achievements with the ability to compile and share them with potential employers.

An increasingly long-term view that anticipates the dynamic interaction between the supply and demand for knowledge and skills with a strategic economic and place-based emphasis should underpin coordinated skills and education investments, that — by their nature — are long-term.

Universities should be supported to collaborate across the higher education-vocational education interface, and host industry or community partnerships in ways that promote collaborative

engagement, through precincts and districts, using key connecting or anchor institutions and strategic imperatives linked to industries, critical supply chains, or regional economic development.

This should extend to a national integrated research ecosystem, which would reflect a living network of diverse Australian universities, research institutes and industry partners working together ethically and sustainably across disciplines to develop new sovereign capabilities and solve intersectional problems. This would build on collaboration between existing institutions, and also incorporate research and industry hubs that are either physical or network based.

To move this forward RMIT recommends:

- a. A move toward longer-term funding agreements between universities and the Commonwealth that reflect specialisation and that support long-term institutional investments and industry partnerships in areas of agreed national priority,
- b. Additional year-to-year flexibility of funding for educational innovation and partnered research activity to reflect specific opportunities, alongside a review of performance metrics to support lifelong learning and collaborative research engagement,
- c. Better-integrated National Partnership Agreement arrangements that include how post-school education is provided to support particular place-based or workforce transitions, including the benefits and potential of 'concurrent' study and integrated workforce pathways arrangements where there is evidence of demand,
- d. Sustained investment and coordination of national and jurisdictional skills and workforce analysis agencies (skills commissions, authorities, and Jobs and Skills Australia) and timely access to student, research and workforce data.

Benefits

Greater national coordination can provide a mechanism for the Commonwealth to support universities (through targeted innovation funding) to better respond to community and industry needs.

It will encourage collaborative government arrangements^{xiv} to identify industry sector priorities (such as clean energy or aged care among others) and regions that are underserved, and target coordinated investments to address this.

Fostering a culture of lifelong learning to minimise the potential negative impacts of slow or ineffective job transitions, and to ensure the supply of labour is responsive enough to meet changing demand.

Recommendation 4: Ensure that the international student experience provides opportunities to fully participate in university education and consolidate the broader purpose and contribution of international education to Australia’s prosperity

*Discussion
Paper
Question
43*

Q43 How should the current recovery in international education be managed to increase the resilience and sustainability of Australia’s higher education system, including through diversification of student enrolments from source countries?

*Discussion
Paper
Question
44*

Q44 How can the benefits of international education be shared broadly across the system, including in regional areas, and what level of reporting should there be?

Challenge

Our international students are a valuable community that brings diversity and expertise to Australian society. RMIT University supports the Panel’s view that international education is “an integral, necessary, and positive part of Australian higher education”. However, this view must be enabled through actions which demonstrate and extend our principles of lifelong learning and inclusive pathways to international students who live, work and support our communities and economy.

Additionally, given the higher education sector as a whole is a global sector — where international competition exists for research, coursework and academic staff — the Accord should also consider benchmarking Australia’s current position within this global community.

For our current international students, the rising cost of living in Australia is presenting real barriers to a positive international student experience.

We also know that work-integrated-learning experiences are a key part of gaining professional skills and are highly valued by international students.

Additionally, a prominent challenge that continues to impact our international students is the delays caused by visa backlogs and a lack of clarity on visa assessments. Visa delays and unclear visa pathways to migration are contributing to critical skills and workforce shortages and resulting in many of our international students remaining offshore.

The pathways open to international students through the Genuine Temporary Entrant (GTE) visa requirement are also at odds with the Government’s messaging and priorities around skilled migration. The pathways should be adaptive and communicated clearly from our government, so international students can accurately reflect their wishes to study in Australia (a Genuine Student Entry) while also being aware of skilled migration pathways.

Contradictory messages from the Federal Departments of Education and Home Affairs around the requirements to enter, stay, and leave Australia have persisted following the COVID pandemic. This has caused confusion for institutions and students.

There is an opportunity to form a single communication channel from Government to international students to emphasise the value they play in contributing to Australian society, whilst at the same time signalling that Australia is open and values their broader social and cultural contribution.

Solutions

We recommend streamlined visa processing across all study levels and increased resources to respond to current and future demands. For students who do wish to remain offshore, RMIT is looking into providing these students with international internships to allow them to remain connected to their studies and our offerings but also to meet their needs in continuing their international experience.

For international research students, a review of visa conditions regarding sick leave, part-time candidature, maternity and parental leave would also be welcomed as a way of addressing some current inequities between domestic and international candidates. At present, we cannot meet our own equity standards with visa conditions. Female candidates in particular are at risk of disadvantage due to inadequate parental and medical leave allowances under some scholarship conditions.

RMIT recognises that some international students will wish to remain in Australia to continue contributing to our diverse society beyond their studies. We recommend creating more pathways from learning to work and supporting international students who wish to remain in Australia to have a simplified pathway to skilled work and migration.

RMIT is considering utilising ambassadors and other advocates for in-country promotion of Melbourne and Victorian universities as a destination of choice for students. Clearer 'pro-study in Australia' messaging from the Australian Government to our international students will have flow-on positive effects to our valuable international community as well as to Australia's economic recovery. This needs to be aligned with streamlined visa processing.

RMIT recommends:

- a. Prioritise pathways into study, including Genuine Student Entrance, and programs that build international students' ability to fully participate in university,
- b. Create more pathways from learning into meaningful work, including the facilitation (through visa settings) of work-based learning programs for international students, and supporting international students who wish to remain in Australia to have simplified and stable pathways to skilled work and migration,
- c. Acknowledge and provide policy and funding priority for international education as a key asset in support of strategic and foreign policy objectives, with an emphasis on South-East Asia.

Benefits

There are clear ways to support the above actions with positive results. RMIT has developed tailored workshops for our international students, including navigating Australian workplace culture, the Australian resume and exploitation in the workplace. We have increased 1:1 career counselling and training for work-ready certifications, working directly with our industry partners to advocate for our students and to create more job opportunities. Upon evaluation of over 300 students who attended our 1:1 career counselling, we found a satisfaction rate of 98%; 85% were more confident and prepared post-events; and we engaged over 60 industry partners to co-deliver skills sessions and events. Of our engagement events to enhance student connection and belonging, we had over 830 students attend with a 91% satisfaction rate, 88% reported that they feel a sense of belonging to RMIT and 82% felt more connected to Melbourne.

In addition to raising the profile of learning and research precincts within Australia – there is opportunity to demonstrate our higher education relationships internationally with key partners in the South-East Asia region.

International students' experiences in Australia and online create transnational people-to-people bonds that last a lifetime. This soft power influence can best support Australia's strategic and foreign policy objectives when Australian universities deliver real value and life-changing experiences, leading to international alumni maintaining connections to Australia.

Notes

ⁱ See: RMIT Online's recent 'Ready, Set, Upskill: Prioritising skills for a resilient workforce' report, March 2023.

ⁱⁱ AiGroup. *The Workforce Development and Skills Survey*, November 2022.

ⁱⁱⁱ Australian Government, Department of Education's [Advanced Apprenticeships \(Industry 4.0\) pilot](#)

^{iv} As noted by the International Labour Organisation. See: Perryman, Simon. *Promoting apprenticeships to meet the skills needs of the digital and knowledge economy*, ILO, 2022, p. 50.

^v The Summit agreed to implementing \$1 billion one-year National Skills Agreement to provide additional funding for fee-free TAFE in 2023, while a longer-term agreement to drive sector reform, and supporting women's workforce participation, additionally action to kick-start skills sector reform and restart discussions for a 5-year National Skills Agreement.

^{vi} As per the AQF framework and reform agenda.

^{vii} Analysis drawn from census data: ABS, 2021 Census – employment, income and education; Boston Consulting Group, "Willingness to reskill" *Decoding global trends in upskilling and reskilling*, 2019.

^{viii} Ibid.

^{ix} National Skills Commission, 2022 Skills Priority List Key Findings Report.

^x "Most submissions called for the package to be reviewed or revoked completely", as noted in the Nous Group Consultation Report, February 2023, p. 52.

^{xi} Impacting those who may be forced to pay higher debts as their HECS debt is indexed over time, and therefore impacting take-home income later, and longer into a person's career, often when also facing costs and long-term decisions around housing and family planning considerations. See also: [Financial and Social Impact of the Cost of University Education Report](#), March 2023.

^{xii} Productivity Commission. *5-year Productivity Enquiry*. "Volume 8: From Learning to Growth", 2023.

^{xiii} Ibid, p. 2.

^{xiv} Work to this end has been shadowed via the City Deals policies by the Commonwealth Labor government.