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Australian Universities
Accord

ENQUIRIES

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SECTION A: INTRODUCTION AND EXECUTIVE SUMMARY

La Trobe University welcomes the opportunity to respond to this consultation on the Australian Universities Accord (the Accord), which builds on [La Trobe's submission](#) on the Accord's Terms of Reference.

In this submission, La Trobe identifies four key challenges facing the higher education system and proposes reforms to address these challenges and deliver long-term improvements. The challenges are:

1. Australia's universities are too similar and there is a lack of diversity in the system;
2. Total research funding is inadequate and there is inequitable access to research and its benefits;
3. Equity targets are not being reached, with participation and attainment rates of regional, rural and remote students considerably lower than those of metropolitan students; and
4. Australia is not producing enough graduates to address current and projected workforce skills shortages in the economy.

We propose several reforms to address these challenges in a systemic way that will build on the strengths of the current system whilst providing flexibility to support universities to pursue diverse missions to meet the needs of the communities they serve. We recommend the following priority areas for reform under the Accord:

- **Provide increased funding for university teaching and research within a capped university system, with future growth in higher education provision to occur outside the university sector;**
- **Develop a fully integrated tertiary education system under a single regulator in which non-university higher education provision is on a level-playing field with universities in terms of Commonwealth Supported Places (CSP) eligibility (while recognising the additional research and community obligations of universities);**
- **Simplify the current 'multi-bucket' funding system and replace it with Government-University framework agreements – a 'freedom within a framework' model of funding in which universities are accountable for clear outcome targets and which supports diversity in university missions;**
- **Increase Australia's investment in Research and Development expenditure (including basic research) as a percentage of GDP to the OECD average by 2030 and to the top quartile of the OECD by 2050;**
- **Update the equity and access targets of the 2008 Bradley Review and include these in the Government-University framework agreements;**
- **Support broader practices for conducting and evaluating research that reflect the value of interdisciplinarity programs, Indigenous knowledges and research, regional research ecosystems, and the economic and social benefits of research; and**
- **Review professional accrediting requirements to support greater efficiency and agility to respond to workforce needs.**

The four challenges do not exist in isolation and require a policy response that simultaneously addresses different aspects of each challenge. For example, current policy and funding settings (which do not adequately cover the cost of teaching and the full cost of research) incentivise universities to pursue a growth strategy for both domestic and international students mainly to cross-subsidize research - thereby reducing the likelihood of each university being able to pursue a strategy of specialisation. In this sector, everything is connected.

The core of our proposal is that, in the spirit of an 'Accord', the university sector would agree to restrict its growth in student numbers in return for improved rates of funding for teaching and research, while future growth in higher education provision would occur outside the university sector. All higher education providers would be on a level playing field for access to the Commonwealth Supported Places (CSP) funding (except to recognise the additional community and research obligations of universities) and to the HECS scheme. All providers would be subject to the oversight of the Higher Education (HE) regulator that would negotiate funding arrangements with each provider and hold them accountable for key outcomes such as quality and equity targets.

In parallel to spurring innovative growth in higher education provision outside the university sector, a key aspect of our proposal is a 'freedom within a framework' model to replace the current multi-bucket funding system. Within such a system, which would be implemented and overseen by a new regulator, universities would be able to pursue more specialised and place-based missions thus increasing diversity in the sector. This will allow institutions to invest their time and resources to become specialists in particular disciplines or industries, while freeing up space and capacity for other institutions to specialise in other domains. Each university will contribute to the national mission, but it will do so in its own way.

Within such a framework, each institution would be encouraged and supported to work to its strengths while contributing to the nation's broader goals to support equity and participation, provide the nation with a skilled workforce, and the innovation needed for our nation's industries to be competitive internationally. Supporting universities to pursue more distinct missions will reduce duplication, focus teaching and research effort, and make the aspirations and achievements of each institution more transparent.

Section B summarises the four challenges and our proposals for reform, with further detail on each of the four challenges in Section C. La Trobe also endorses the submissions of Universities Australia and the Innovative Research Universities to this review. Further information on any of the proposals mentioned in this submission can be provided upon request.

SECTION B: SUMMARY OF KEY CHALLENGES AND PROPOSALS FOR LONG-TERM REFORM OF AUSTRALIA'S TERTIARY EDUCATION SECTOR

CURRENT KEY CHALLENGES	LONG-TERM VISION	Cross-reference to AUA's Terms of Reference
<p>Challenge 1</p> <p>Australia's universities are too similar and there is a lack of diversity in the system, which limits specialisation</p>	<p>1.1. A fully integrated tertiary system under a single regulator in which all forms of non-university higher education provision are on a level-playing field with universities in terms of CSP eligibility (while recognising the additional research and community obligations of universities) (<i>Questions 2, 5 and 24</i>)</p> <p>1.2. An appropriately-sized and resourced university system, with managed growth and well-funded universities, and additional growth in higher education provision achieved through NUHEPs (<i>Question 6, 7 and 47</i>)</p> <p>1.3. Robust Government-University framework agreements that hold universities accountable to clear outcome targets but provide for diverse missions via a 'freedom within a framework' model of funding (<i>Question 45</i>)</p> <p>1.4. The HE regulator takes responsibility for negotiating Framework Agreements with funded institutions and for regulation and quality assurance (<i>Questions 5 and 17</i>)</p>	<p><i>TOR 1: Meeting Australia's knowledge and skills needs, now and into the future</i></p> <p><i>TOR 5: The connection between the vocational education and training and higher education systems</i></p>
<p>Challenge 2</p> <p>Total research funding is inadequate and there is inequitable access to research and its benefits.</p>	<p>Research Funding</p> <p>2.1. Australia's investment in Research and Development expenditure (including basic research), as a percentage of GDP, reaches the OECD average by 2030 and the top quartile of the OECD by 2050 (<i>Question 24</i>)</p> <p>2.2. An additional \$1billion to the Research Support Program part of the Research Block grant by 2030 – the indirect cost of research is funded (to at least 50 cents to the dollar) by 2025 (<i>Question 24</i>)</p> <p>2.3. Research funding support across Australian government programs is streamlined and free of unnecessary bureaucratic "smaller pots"</p> <p>2.4. The role of university research in supporting local, state and Commonwealth government objectives is recognised, with governments providing the full cost of research and removing requirements for cash contributions from universities</p>	<p><i>TOR 7: Delivering new knowledge, innovation and capability</i></p>

	<p>Incentivising and recognising the social and economic benefits of research</p> <p>2.5. There is an agreed method for measuring research quality and impact that incentivises multidisciplinary research and research for the public good (<i>Question 24</i>)</p> <p>Participation in and access to the benefits of research (<i>Question 27</i>)</p> <p>2.6. There are thriving research ecosystems across Australia (including in regional, rural and remote areas), with increased access and participation in research by underrepresented groups (e.g. increased number of doctoral graduates from equity cohorts)</p> <p>2.7. There is greater Indigenous research participation (number of Indigenous Australian doctoral graduates) and related targets in Framework Agreements including in regional communities</p> <p>University-Industry collaborations</p> <p>2.8. Through stronger alignment between industry policy and tertiary policy settings, the Accord helps to identify skills and innovation gaps, and increase incentives for industry to collaborate with universities and for universities to deepen engagement with industry including SMEs (<i>Questions 23 and 26</i>).</p>	
<p>Challenge 3</p> <p>Equity targets are not being reached, with participation and attainment rates of regional students considerably lower than those of metropolitan students</p>	<p>Participation and attainment</p> <p>3.1. Australia remains in the top quartile in the OECD in measures of participation in higher education (<i>Question 3</i>)</p> <ul style="list-style-type: none"> - Participation from equity cohorts steadily increases to reach parity with the rest of the population - Indigenous participation and attainment across school, TAFE and higher education is at parity with the rest of the population, and is supported by programs for regional, rural and remote communities <p>3.2. The equity and access recommendations of the Bradley Review are updated, including those relating to student income support</p> <p>3.3. Within a ‘freedom within a framework model’, universities pursue equity targets that are relevant to their individual circumstances, location, and the communities they serve</p> <p>3.4. There is a review of current equity groupings to determine whether they are still fit for purpose</p> <p>3.5. The system identifies disadvantage and the reasons for lower participation and attainment at an earlier stage, with alternate pathways (beyond ATAR) supported by government (<i>Question 28</i>)</p>	<p><i>TOR 2: Access and Opportunity</i></p> <p><i>TOR 3: Investment and affordability</i></p>

	<p>3.6. The system has policy levers that can be triggered across government to address higher education participation and attainment, especially by providing income support for equity groups (<i>Question 28 and 31</i>)</p> <p>3.7. There is high-quality data on student equity outcomes and protocols to ensure data is used ethically</p>	
<p>Challenge 4</p> <p>Australia is not producing enough graduates to address current and projected workforce skills shortages in the economy</p>	<p>4.1. Jobs and Skills Australia is responsible for examining the entire pipeline leading to skills/workforce shortages and identifying faults in the system which are resulting in a lack of demand from students in areas of workforce need (<i>Question 9</i>)</p> <p>4.2. There is a review of accrediting body requirements to support greater efficiency and agility in addressing workforce needs (<i>Question 13</i>)</p> <p>4.3. Improved HDR stipends for domestic and international candidates support a highly skilled academic and research workforce (<i>Question 27</i>)</p> <p>4.4. Universities and TAFEs can work together with minimal regulatory burdens and students flow between both systems seamlessly (<i>Questions 20 and 21</i>)</p> <p>4.5. Industry is incentivised to work with universities to increase workforce skills and increase higher education participation through adoption of a tailored ‘degree apprenticeship’ model</p> <p>4.6. Innovative approaches to addressing workforce shortages (such as La Trobe’s Nexus teacher education program) are supported and expanded, including considering how similar programs could address workforce shortages in other sectors</p>	<p><i>TOR 1: Meeting Australia’s skills needs, now and in the future.</i></p> <p><i>TOR 5: The connection between the vocational education and training and higher education systems</i></p>

SECTION C: SUMMARY OF KEY CHALLENGES AND PROPOSALS FOR LONG-TERM REFORM OF AUSTRALIA'S TERTIARY EDUCATION SECTOR

Section C1: Challenge 1 - There is no diversity within the system

Professor Glyn Davis AC has argued that “Australian higher education is dominated by autonomous, professional, comprehensive, secular, public and commuter universities sharing very similar missions. More than 150 years in the making, this model has a powerful hold on the public imagination.” There have been attempts for newly-established institutions to follow more diverse missions, including The Australian National University’s charter as a national research-focused university and UNSW’s mission to be of “an explicit science and technology character”. When La Trobe was founded in 1964 to make “knowledge available for the benefit of all”¹, it was established without any professional degrees or disciplines. Yet, time and again, as Professor Davis describes it, “familiar patterns returned. What began as radical departures began to take on the degree structures, teaching practise and governance structures of Australian orthodoxy.” Today, La Trobe’s largest degree intakes are in health, initial teacher education and business, none of which were part of its original mix.

The Dawkins reforms of the late 1980s, which entailed the merger of several institutions, created a single template for the modern Australian university, a model which Dawkins himself says was not meant to last 30 years. Currently, Australia has 39 public universities that are increasingly similar in their comprehensiveness, their commitment to research and their reliance on international student revenue. There are, of course, variations influenced by location, history, and individual strategy – but all these differences are constrained by policy settings that converge towards a norm. The Accord presents an opportunity to build on the strengths of the current system that was created under the Dawkins model while addressing the shortcomings that have become apparent over the 30 years since its inception, especially the underfunding of teaching, research, and infrastructure that has necessitated an over reliance on cross-subsidy from international student income.

Our starting point is to think of a modern higher education system as including all types of higher education provision – including universities, TAFEs offering higher education awards and private non-university providers.² Our key proposal is that in the spirit of an ‘Accord’, the university sector would agree to restrict its growth in student numbers in return for improved rates of funding for teaching and research, while future growth in higher education provision would occur outside the university sector. All higher education providers would be on a level playing field for access to the Commonwealth Supported Places (CSP) funding (except to recognise the additional community and research obligations of universities) and to the HECS scheme, and subject to the oversight of the HE regulator that would negotiate funding arrangements with each provider holding them to

¹ La Trobe University Act 1964

² Under the new Higher Education Standards Framework (Threshold Standards) 2021, there are 185 providers of higher education in Australia - 42 universities, 1 overseas university, 3 university colleges and 139 institutes of higher education.

account for outcomes. Within an integrated tertiary sector, we also recommend renewed focus on recognition for learning and teaching excellence with support for programs that allow for scholarship and practice innovations to be shared within and across the sectors.

The benefits of this model of reform would be:

- Concerted focus on improving equity outcomes through Framework Agreements with all HE providers
- Reduced reliance by universities on international revenue to conduct research
- Reduced barriers to diversification within the university sector
- Growth in HE provision achieved by directing future growth to the NUHEP sector
- Better integration of the VET and HE systems through protected funding arrangements for diploma to degree pathways
- Improved capacity of the higher education system to respond to skills shortages
- Improved efficiency across the university sector by removing incentives that have created identical course offerings and replicated systems of HR and procurement across the university sector, with more opportunity for economies of scale and reduced costs

La Trobe's Proposals: Diversity within an integrated system of higher education

1.1. A fully integrated tertiary system under a single regulator in which all forms of non-university higher education provision are on a level-playing field with universities in terms of CSP eligibility (while recognising the additional research and community obligations of universities); (Questions 2,5 and 24)

- Develop a funding model that applies to all forms of HE provision, removing elements of the current system that favour universities (such as CSP eligibility), but which recognises that universities have research and community obligations that NUHEPs do not (e.g. NUHEPs receive 80% of the university rate)
- In parallel with giving effect to an integrated tertiary sector, renew focus on recognition for learning and teaching excellence across the sectors, and provide support for programs (e.g. fellowships) that allow for scholarship and practice innovations to be shared by expert staff working within and across those sectors. This could be established within the remit of a larger regulator, noting the distinction between compliance and innovation foci.

1.2. An appropriately-sized and resourced university system, with managed growth and well-funded universities, and additional growth in higher education provision achieved through NUHEPs (Question 6, 7 and 47) (Case Study A)

- Improve funding for teaching, research and infrastructure in universities to reduce reliance on international student revenue, while limiting the size of universities in favour of growth elsewhere in the HE system.

CASE STUDY A: HIGHER EDUCATION PROVISION IN ISRAEL

It is possible to lift higher education participation across Australia by expanding education provision to non-university providers. Rather than having all universities seeking continual growth in enrolments, higher education participation targets could be reached by extending provision to public and private NUHEPs. With a population of 9.3 million, Israel has 9 universities or approximately 1 university per 1 million inhabitants. In contrast, Australia has 42 universities (including 3 private universities) for a population of 25 million people, or 1 university per 625,000 inhabitants.

In total, Israel has 61 higher education institutions: **9 universities, 31 colleges and 21 teacher training colleges**. All of these are supervised by the Council for Higher Education, the state body responsible for Israel's higher education system. All Israeli universities and 41 of the colleges are publicly funded, while 12 colleges are privately funded. [Source: <https://studyisrael.org.il/study-in-israel/#masthead>]

1.3. Robust Government-University framework agreements that hold universities accountable to clear outcome targets but provide for diverse missions via a 'freedom within a framework' model of funding (e.g., outcomes on student numbers, equity).

- Simplify the current 'multi-bucket' funding system and replace with Government-University framework agreements

This would allow HE providers to deploy funding as they see fit across all levels of higher education provision (i.e., enabling programs, short courses/micro credentials, certificates, diplomas and bachelors, masters, and PhDs). Within this framework, agreements could also be made with institutions on how international student revenue will be used. For instance, if research is adequately funded, a portion of international student revenue could be re-directed towards a national fund for higher education infrastructure.

1.4. The HE regulator takes responsibility for negotiating Framework Agreements with funded institutions and for regulation and quality assurance.

The HE regulator would have a mandate to promote diversity across the sector, to ensure better alignment of the HE system with national workforce needs, to apply research requirements for the maintenance of the title 'university', and to ensure that equity and research participation targets are achieved within each university as well as across the HE system. Similarly to the IRU proposal, La Trobe recommends that the Accord should consider the most effective governance model for the future of the Australian university system, including whether a higher education commission should provide leadership and oversight and independent advice to government.

Section C2: Challenge 2- Research Funding is inadequate and reliant on cross-subsidization - there is inequitable access to research and its benefits

Speaking at the National Press Club in March 2023, the Hon Ed Husic MP, Minister for Industry and Science, lamented the fact that the Research & Development spend across the Australian economy is 1.8 per cent of GDP, considerably below the OECD average. However, there is strong evidence to suggest that there are significant social and economic returns on investment in research and development. Universities Australia has demonstrated that a lift in higher education R&D of just one per cent would lift productivity and increase the size of the Australian economy by \$24 billion over 10 years.

Currently, Australia's universities are reliant on international student revenue to plug the gap in the funding of research. The extent of cross-subsidisation is difficult to quantify, however Professor Andrew Norton has argued that 27 per cent of total university research **expenditure** (or about \$3.3 billion) is reliant on international student revenue. The COVID-19 pandemic exposed the sector's reliance on international student revenue, and necessitated the \$1 billion research funding injection in the 2020-21 Commonwealth budget.

There is evidence to show that research is not appropriately funded. Analysis of HERDC data and Research Block Grant allocations suggests that Australia has allocated roughly 20-25 cents per dollar in Research Block Grants to cover indirect costs, while an Allen Consulting Group 2018 report³ noted that indirect costs are approximately 50 cents in the dollar. In 2023, the indirect cost support via the Research Support Program (RSP) was even lower, at 18.2 cents in the dollar.⁴

Consistent with the position of other institutions in the sector and Universities Australia, our key recommendation is therefore a significant lift in the quantum of the Australian Government's investment in research and development and a target of funding the indirect cost of research (across whole-of-government) at 50 cents to the dollar by 2025. We endorse UA's recommendation to aim for funding the full cost of research by 2030. We also make several recommendations to support increased access to the benefits of research across Australia, especially for Indigenous research.

³ Allen Consulting Group 2008, 'Recognising the full costs of university research', report to the Department of Innovation, Industry Science and Research, Canberra

⁴ This was calculated off the average of 2020 and 2021 research income totalling \$5,302,590,277 (Total Research Income 2020 and 2021 divided by two). This equates to 18.2c in the dollar in RSP for income earned across 2020 and 2021 and paid in 2023. The Research Training Program (RTP) Block grant is additional but is hypothecated to research training and cannot support indirect costs. It provided 1,111,560,062, half of which is driven by research income and half of which is on completions. According to our calculations, it therefore equates to 11c in the dollar.

La Trobe's Proposals: Thriving research systems across Australia

Research Funding

- 2.1. Australia's investment in Research and Development expenditure (including basic research), as a percentage of GDP, reaches the OECD average by 2030 and the top quartile of the OECD by 2050**
 - A national research system which recognises the value and provides adequate support to the full range of Australia's research endeavour from basic science, to supporting research within industry, to research with significant social and economic impact.
- 2.2. An additional \$1 billion to the Research Support Program part of the Research Block grant by 2030 – the indirect cost of research is funded to at least 50 cents to the dollar by 2025. This will mean that the conduct of Australian research is 'protected' from reliance on international student fees.**
- 2.3. Research funding support across Australian government is streamlined and free of unnecessary bureaucratic "smaller pots"**
 - Address the fragmentation of research funding across government beyond industry priorities (for example, health research)
 - Consolidate small-scale industry-university programs into larger, simpler funds with less bureaucracy
- 2.4. Recognition of the role of university research in supporting local, state and Commonwealth government objectives (including portfolios such as health and defence), with governments providing the full cost of research and thus removing requirements for cash contributions from universities**
 - Universities should not be required or expected to make a contribution in cash for any Category 1 or Category 3 research.

Incentivising and recognising the social and economic benefits of research

- 2.5. A method of research evaluation measuring quality and impact that incentivises multidisciplinary research and projects focussed on the public good and social impact, and which recognises the plurality of ways of conducting research**
 - Australian research is world-class and its impact is felt every day within Australia and beyond. However, the current evaluation model fails to incentivise research that serves the public good and provides social and economic benefits to the community (see Case Study B1 on HIV futures). Additionally, interdisciplinarity research is not encouraged, with traditional methods of research, continuing to prevail even though they may not be optimal for certain communities or settings. Successful research at La Trobe has demonstrated that traditional ways of conducting research may not always be suitable for all communities, including Indigenous communities (see Case Study B2 on the Baggarrook Yurrongi (Women's Journey) project)

Participation in and access to the benefits of research

2.6. There are thriving research ecosystems across Australia (including in regional, rural and remote areas), with increased access and participation in research by underrepresented groups (e.g. increased number of doctoral graduates from equity cohorts).

- Achieving thriving research ecosystems across Australia requires a commitment spread research infrastructure across the nation.

2.7. There is greater Indigenous research participation (number of Indigenous Australian doctoral graduates) and related targets in Framework Agreements including in regional communities (see Sub-Attachment 3 for Indigenous perspectives on AUA)

- Together with Indigenous communities, reimagine the co-conduct of research in a way which enables increased participation from First Nations people (e.g. PhD graduates) and provides opportunities for Indigenous knowledge to be conveyed. (i.e. current city-centric models of the conduct of research are not working in Indigenous communities). This requires a decolonisation of ideas about what constitutes research and a recognition that there are multiple ways of conducting research.
- Address existing skills gaps for Indigenous researchers (e.g. short courses in writing and publishing)
- Consider adopting the New Zealand approach whereby every research grant application must state which/whether Indigenous knowledge underpins the application - [Vision Mātauranga](#)

University-Industry collaborations

2.8. Through stronger alignment between industry policy and tertiary policy settings, the Accord helps to identify skills and innovation gaps, and increase incentives for industry to collaborate with universities and for universities to deepen engagement with industry including SMEs

Australian universities generate significant IP that must go offshore to be commercialised (and then comes back to Australia as products). To address this, the Government should work with industry stakeholders and government service providers to increase incentives for collaboration with university researchers (industry pull) in a range of ways that support growth in tech transfer, research translation and implementation. This can occur alongside support for greater university engagement with industry through research commercialisation. We note that long-term partnerships, licensing and co-creation of IP are likely to provide a stronger base for economic growth than patents, start-ups or commercialisation of inventions.

- Given the predominance of Small and Medium Enterprises (SMEs) in the Australian economy (especially in rural, regional and remote Australia), focus on incentives that encourage regional SMEs to collaborate with universities. For example, collaboration with publicly-funded research organisations could be a condition for accessing the Research and Development Tax Incentive.

CASE STUDY B: Research of significant social impact and Indigenous Research

B1. Research with social impact: HIV Futures is a periodic national survey of people living with HIV (PLHIV), which has been run by the Australian Research Centre in Sex, Health and Society at La Trobe University since 1997. Originally designed to provide insight into financial security, relationships and wellbeing among PLHIV following the introduction of highly active antiretroviral therapy in Australia (which transformed HIV from a terminal illness to a chronic manageable condition). HIV Futures surveys have tracked wellbeing among PLHIV for more than 25 years, showing the impact of significant medical advances on the everyday lives of PLHIV as well as the ongoing impact of issues such as stigma and discrimination. Today, HIV Futures is funded by the Australian Department of Health and Aged Care to collect data on health-related quality of life among PLHIV and is used widely by community groups to inform service delivery and to improve understanding of the needs of PLHIV. The study also contributes to academic research on issues such as the ways the experience of illness is shaped by social factors such as stigma, strategies for measuring health-related quality of life among marginalised groups and other issues related to social and cultural aspects of living with illness.

B2. Indigenous research: Awarded the Engagement Australia 2022 Excellence Award (Indigenous Engagement), the Baggarrook Yurrongi (Women's Journey) research project has transformed midwifery care for Indigenous women. Caseload midwifery, where women have midwife-led continuity throughout pregnancy, labour, birth and the early postnatal period, is associated with substantially better maternal and infant health outcomes. Yet, very few Indigenous women have had access to such a model. A collaboration between researchers at La Trobe University, the Victorian Aboriginal Community Controlled Health Organisation and the three metropolitan hospitals in Melbourne aimed to assess the research translation capacity of maternity services to implement, embed and sustain a culturally specific caseload midwifery model for Indigenous women having a baby. The model had very high uptake by Indigenous families (90%) and high level of satisfaction for the women's maternity care. Across pregnancy, labour, birth, and the early postnatal period, women reported positive experiences of maternity care, as well as feeling very emotionally and physically supported. A recommendation was put forward to prioritise further scale up this model to help address the disproportionate poorer maternal and infant health outcomes experienced by Indigenous mothers and babies.

Section C3: Challenge 3 - Equity targets are not being met -the gap between regional and metropolitan Australia in higher education participation and attainment remains stark

When launching the Universities Accord Process, Minister Clare made it clear that equity is a top priority for the Accord.

We need a new approach to equity. While the aspiration to meet the Bradley targets was well-intentioned, the means employed to achieve those targets have not matched the ambition. The key programme established to deliver the Bradley vision was the HEPPP programme, which was subject to several funding cuts over the years. We also need to tackle equity in a holistic way across the system. Currently, some policy settings have presented obstacles to the Bradley equity targets being reached. For example:

- The most recent significant legislative changes to higher education, the Job Ready Graduate Package, has been particularly detrimental to equity cohorts. In particular, the 50% Low Completion Rate (LCR) has had a significant impact on diploma students, who are disproportionately from equity backgrounds and who can reach the threshold (and thus lose eligibility for studying in a CSP or getting HELP loans) after their first semester. La Trobe recommends that within the revision of the JRG, this issue is addressed as a priority. (*Question 49*)
- Evidence shows that equity cohorts are more expensive to support through their studies⁵ and, on average, have higher attrition rates⁶, but this is not reflected in funding settings. Therefore an institution like La Trobe, which has a significant proportion of equity students, is not incentivised to enrol more equity students. One option that could be considered is to introduce a 'value-added' measure of university performance i.e. tracking how students from a university have performed while controlling for equity factors. This would enable a genuine measurement of the value added by the institution.
- As outlined in Case Study C, La Trobe has in place specific programs aimed at increasing regional participation and attainment. We have witnessed first-hand how programs aimed at increasing regional participation and attainment often achieve little more than moving students from one university to another without lifting overall participation. Not only do such programs fail to increase participation overall, they also tend to lure students (usually the most gifted) away from regional areas to city centres from which they never return. We submit that a more efficient way of lifting participation and increasing regional capability is by enabling regionally-based universities to offer on-site higher education options with a funding model that reflects the additional costs of these operations.

⁵ According to a 2017 Deloitte Access Economics report for the Commonwealth Department of Education, "an increase in the proportion of regional EFTSL is found to increase costs per EFTSL" and "teaching and scholarship costs are 17% higher for regional students, holding all else constant."

⁶ For instance, in 2020, the adjusted attrition rate for 11.76 for domestic metropolitan students, 16.7 for regional students and 20.76 for remote students. [\[Source: Selected Higher Education Statistics, 2021 Student Data\]](#)

- While close partnerships between TAFEs and universities can be very effective in delivering equity targets, there are significant regulatory barriers and disincentives that hinder collaboration between universities and TAFEs. Some of the practical ways in which these barriers can be overcome are outlined in the recommendations below (and in Section 4.4).

La Trobe endorses the equity-related recommendations in the submissions provided by Universities Australia and IRU. Our foremost recommendation is a recommitment to the principles of the Bradley review, with an openness to consider different means of achieving the aims of the review and its measures of success. We also submit that were the Government to adopt and implement the recommendations outlined in Section 1 above, namely allowing universities the freedom to pursue their own missions within a 'freedom within a framework' model, national equity targets would be more likely to be achieved. Our recommendations also question whether the current six equity groupings are still fit for purpose and whether new ways of setting participation targets should be considered. We also raise issues related to cohorts that belong to more than one equity groups⁷.

La Trobe's Proposals: A tertiary education system where everyone feels they can be supported to succeed at university irrespective of who they are and where they come from.

Participation and attainment

3.1. Australia remains at the top quartile in the OECD for participation in tertiary education, and

- **Participation from all equity cohorts steadily increases.**
- **Indigenous participation and attainment across school, TAFE and higher education is at parity with the rest of the population, and is supported by programs for regional, rural and remote communities**

3.2. The equity and access recommendations of the Bradley Review are updated, including the unimplemented recommendations on student income support.

- In setting participation targets, consider alternative means to measure participation more effectively. For instance, devise a participation metric that takes into account the number of people available to participate, in the same manner as employment statistics take into account those available for work (See Sub-Attachment 1: Different ways of calculating participation rates for equity groups focusing on Low SES)
- In measuring success rates, retention in the tertiary education system as a whole should be prioritised and included in official data, rather than retention at a particular institution or within only the university systems - see Recommendation 4.5 in Section 4

⁷ For instance, at La Trobe, we estimate that almost 18% of our domestic undergraduates belong to at least 2 equity groupings.

- Address as a priority the equity issues compounded by the Job -Ready Graduate Package, particularly the impact of the Low Completion Rate (LCR) on equity cohorts

3.3. Within ‘freedom within a framework model’ identified under Section 1, universities pursue their own equity targets depending on their individual circumstances, location and the communities they serve. (Question 33)

- Consolidate all funding (including equity-related funds such as IRLSAF and NPILF) into a single pot of funds, with more flexibility given to universities to target their areas of need. This would also incentivise long-term projects supporting equity targets instead of short-term projects.

3.4. A review of current equity groupings to determine whether they are still fit for purpose and aligned with current terminology, with a dedicated focus on students who fall within multiple equity cohorts and consideration of including ‘First in Family’ as an additional grouping

3.5. The system identifies disadvantage and the reasons for lower participation and attainment at an earlier stage, with alternate pathways (beyond ATAR) supported by government

- Provide support for alternate pathways such as the La Trobe Shepparton and Albury-Wodonga pathways currently funded through philanthropy (Case Study C)
- Ensure universities have access to funding to undertake outreach activities into schools and in communities to inform post-school aspiration among those who may not have an informed understanding of university pathways and to increase engagement with study more generally.
- Support the provision of quality career advice in schools and ensure that funding is provided for well qualified and resourced career advisors (especially in regional, rural and remote areas)
- Address, with priority, the issue of sub-optimal reading instruction in schools. La Trobe’s **Science of Language and Reading (SOLAR) program** is making a difference through online short courses on the science of language and reading for classroom teachers to provide evidence-informed teaching practices.

3.6. The system has policy levers that can be triggered across government to address higher education participation and attainment, especially by providing income support for equity groups

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. More often than not, 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 through policy levers outside the higher education system. It is worth noting that the Bradley Review included a range of recommendations (Recommendation 5) relating to student income support that were never implemented. La Trobe recommends:

- Centrelink support: Currently there is no incentive for mature age persons in full-time work to access education and reduce their income. Most mature age persons remain outside of the higher education system or do not take the opportunity to reskill because they have no other means of financial support outside of paid work. This is major barrier in regional, rural and remote areas.
- Age of independence: The current rules determining the “threshold for independence” to access **Austudy support** make it very difficult for younger students of school-leaving age to qualify for benefits. The Bradley Review recommended reducing the age of independence from 25 to 22 years. To maximise the benefit of this recommendation, we recommend reducing the age of independence to 19.
- High cost of childcare: The high cost of childcare is a significant barrier for participation. La Trobe acknowledges that new childcare benefit arrangements are due to come into force in July 2023, which may ease the burden. Federal and state governments should consider extending the hours of fee-free Kinder and consider fee-free childcare especially in regional areas.
- Maximum completion times: These are also a barrier for students who are studying part-time or who need to take career and study breaks e.g. people with caring responsibilities

3.7. There is high-quality data on student equity outcomes and protocols to ensure that data is used ethically

The quality, availability, and conceptualisation of student equity data has been a consistent frustration of equity researchers, practitioners, and students for many decades. The Accord process offers an opportunity to address these issues and provide the sector with more insightful, actionable, and ethical equity data assets. (View Sub-attachment 2 for specific recommendations on addressing critical gaps and inconsistencies in student disability data collection and work to reduce barriers to data portability.)

CASE STUDY C: Pathways at La Trobe University

C1. La Trobe's alternate pathways

At La Trobe, we believe a great indicator of how a young person will perform at university is to 'do university' while at school. We have developed a suite of evidence-based programs for senior school students that suit a range of learner needs and provide an alternative entry score to ATAR, based on students' performance under university conditions:

- **Aspire Prepare:** Suitable for Year 11 and/or 12 students, including ungraded VCE and VCE Vocational Major students. Students study three or six micro-subjects in Year 11 and/or 12, drawn from our enabling program, the Tertiary Preparation Program. This is a fully online program taught asynchronously by specialist academic staff. While there are set, formative assessments, students can study around these at their own pace and in their own time. The program is free, and students receive a La Trobe Entrance Score (more below).
- **Aspire Advance:** Suitable for students undertaking VCE, IB or interstate Year 12 (scored or unscored). Students study one online first year subject from La Trobe in Year 12, and receive a La Trobe Entrance Score.
- **Aspire Achieve Plus:** This is our higher education study in VCE program (HES). Students study two La Trobe University subjects in Year 12 as a formal part of their scored VCE. As with all HES, their grades can contribute to their ATAR. At La Trobe, we also use their grades to calculate a La Trobe Entrance Score.

C2. Albury Wodonga and Bradford Shepparton Pathway Program

The gap between regional and metro Victoria in higher education participation and attainment is stark. More than 1 in 3 residents of a major city have a higher degree, yet in the inner and outer regions, the proportion is less than 1 in 5. La Trobe University has developed a unique program to address this gap. Working collaboratively with schools around our Wodonga campus, we understood that much of this gap is due to lower levels of literacy among regional students, resulting in lower achievement in senior school. We developed a program to work intensively with students to provide feedback on essays, study skills support and mentoring by University staff and student educators. With the help of generous philanthropic from the Gillespie family, we extended the program to Shepparton as the Bradford Pathway program.

The programs have been run with passion and commitment since 2019. Over this time, our programs have had a proven positive impact on higher education participation rates:

-364 Pathway program completions in Shepparton and Albury-Wodonga since 2019.

-In 2022, 78% of La Trobe's Pathway students began their transition to higher education, either directly with a university offer, or through a further transition program.

-64% of 2022 Albury-Wodonga participants have so far confirmed their offer of a university place for 2023. In 2021, only 17.7% of Albury Wodonga residents had attained a Bachelor degree or higher. (26.3% in Australia and 32.8% in Greater Melbourne).

-44% of 2022 Shepparton participants have so far confirmed their offer of a university place for 2023. In 2021, only 14.8% of Greater Shepparton residents had attained a Bachelor degree or higher. (26.3% for Australia and 32.8% in Greater Melbourne).

Over 50% of these graduates will stay in the regions. The additional lifetime net present value of their skills and knowledge for the regions is estimated at more than \$224M. Beyond the economic potential, the lifetime value of a higher education for students, their families and their future children can't be estimated. However, providing this intensive support is costly. For La Trobe University this is part of our commitment to the regional communities we serve. Greater support from government for programs such as these could help us extend these opportunities to even more students.

Section C4: Challenge 4 - Australia is not producing the quantum and type of graduates that are required to address current and projected workforce skills shortages in the economy

The challenge of skills shortages is recognised across the nation. Parents cannot find childcare options for their children, which limits their access to full-time work; industry struggles to find the qualified workers it needs; and patient waiting times across hospitals grow longer. In the psychology field, where demand linked to mental health has escalated following the COVID-19 pandemic, some patients (including children) are waiting up to two years for care in public health services.⁸

One of the challenges identified in the Discussion Paper (Question 9) is how Australia can ensure that enough students are studying courses that align with the changing needs of the economy and society. We know that we should not assume that students will automatically flow into new programs that are established to address an emerging need, nor that it is clear which skills are easily transferable from one occupation to the other. Instead, we recommend that Jobs and Skills Australia examine the entire pipeline leading to skills and workforce shortages and identify why there is a lack of demand from students in specific areas of workforce need.

To address health workforce shortages, we recommend addressing the issue of the limited availability and cost of clinical placements.

More broadly, the rigidity in requirements of the professional accrediting bodies and their duplication of TEQSA standards are limiting the ability of universities to nimbly adjust to the changing needs of the economy. We also propose ways in which transitions across vocational and higher education systems could work more seamlessly.

In Section 3 above, we highlighted that those citizens who simply cannot afford to leave their current jobs (or work less hours) in order to study are currently locked out of further participation in tertiary education. These are people who are ‘lost to the system’. They are not necessarily falling within equity cohorts but, still, they are not participating in further education – not for a lack of will or aspiration but because they do not have the means to finance their studies without working. We believe that a version of the Degree Apprenticeships model tailor-made for Australia has the potential to attract this cohort.

Finally, we showcase La Trobe’s Nexus Program, an example of an innovative way that universities are seeking to address teaching shortages in regional Victoria, which could be followed to address issues in other sectors

⁸ Further detail on the challenges and potential solutions for addressing the shortage of psychologists in public health services are outlined in the submission to the Universities Accord Process developed by the Psychology Training and Public Health Workforce Alliance.

La Trobe's Proposals: A tertiary education system that produces the quantum and type of graduates that Australia requires

4.1. Jobs and Skills Australia is responsible for examining the entire pipeline leading to skills/workforce shortages and identifying faults in the system which are resulting in a lack of demand from students in areas of workforce need.

- Specific research should be commissioned, either via Jobs and Skills Australia or universities, to better understand quality in the health workforce and to better understand and address the reasons for attrition in the health workforce.

- Student demand is high for health courses, however the limited availability and cost of clinical placements remains a major barrier to producing more graduates in health disciplines. The Accord should encourage greater collaboration, planning and coordination between jurisdictions, universities and industry in the way the health workforce is trained and recruited. (*Question 14*)

4.2. A review of the accrediting body requirements to enable greater efficiency in the tertiary sector and enable it to be more agile and responsive in addressing workforce needs through closer integration with TEQSA requirements. (*Question 13*)

The current rigidity of accrediting body requirements, which can involve complex, costly and time-consuming bureaucratic processes, limits the ability of the tertiary sector to be more efficient. At times, accreditation processes take years to complete, and accrediting body requirements can duplicate universities' requirements under TEQSA. Other issues include the length of time for course and subject changes to be approved or for new courses to be introduced; approval of subjects taken as an elective that is core to another course; and restrictions on student movement from undergraduate to postgraduate courses.

We recommend that the Accord addresses these issues as a priority. Closer integration of accreditation bodies and TEQSA requirements would achieve two aims – it would help universities become more efficient through reduced duplication of effort, and, more importantly, help increase the flow of new workers especially in the health fields.

4.3. Improved HDR stipends for domestic and international candidates ensure a highly skilled academic and research workforce through the 21st century.

4.4. Universities and TAFEs are able to work together with minimal regulatory burdens. Students flow in and out of both systems seamlessly. (*Question 20*)

- We propose a lighter review of the Australian Qualification Framework (AQF) than the one proposed by the Noonan Review with a focus on establishing a policy for microcredentials and their levels, to simplify language and recognise that both higher education and vocational education providers deliver skills, and to incorporate pre-university programs. (*Question 18*)

- Consider the future workforce and community needs in regional, rural and remote communities and identify ways of supporting students through innovative approaches that support TAFE and universities to work together (e.g. Country University Centres), noting that regional TAFE and higher education participation tends to be through mature aged or other pathways.
- Overhaul the way in which TAFE qualifications are updated, which is currently a significant challenge for VET students aiming to move into higher education.
- Better track and monitor movement of students across the vocational and higher education systems. Linked to the principle of an integrated tertiary system identified in Section 1 above, ensure that enrolled higher education students who transfer to vocational education and successfully complete a vocational course are not considered as “attritted” students but as having “succeeded” in the other arm of the tertiary education system.

4.5. Industry is incentivised to work with universities towards further skilling of workers (and increasing higher education participation) through the adoption of a degree apprenticeship model tailored for Australia.

While the UK degree apprenticeship model (a model which combines full-time work with part-time study towards an undergraduate or Master’s degree) is not without difficulties, we recommend a version of this model tailored for Australia is facilitated for two reasons:

- It provides an incentive for industry to engage (currently there are no such incentives for industry)
- It solves the financial barrier for those students who are currently locked out of the system because they cannot afford to take time off work

We also think it does not make sense for 39 universities to be pursuing an apprenticeship model with industry. Aligned with our vision for a system in which universities have diverse missions and specialties, it could be considered whether a number of universities (perhaps a couple per state) could be charged with the responsibility of negotiating with industry to deliver the program. We recommend a pilot program be established to address the feasibility of this model for the Australian context. A business or accounting degree with regional industry partners would be a suitable pilot. At La Trobe, we are already working with regional industry partners with the aim of establishing a similar engineering degree apprenticeship model.

4.6. Innovative approaches to addressing workforce shortages (such as La Trobe’s Nexus Program to address teacher shortages) are further expanded and supported

See Case Study D below, which outlines the teacher education program established by La Trobe to support hard-to-staff schools, especially those based in regional areas. Given the success of the program to date, we consider that the Nexus program offers a promising model to support the attraction and retention of quality teachers in hard-to-staff schools that could be further expanded. Given that students also receive a part-time

salary while studying, expanding the program may be attractive to career-changes who are discouraged from taking time off work to study due to loss of income. The potential for similar programs to be deployed in other sectors should also be considered.

CASE STUDY D: La Trobe's NEXUS Program

The increasing national shortage of teachers in Australia requires innovative and alternate approaches to attract and support career-changers to the teaching profession. As part of the Federal Government's High Achieving Teachers Program, La Trobe has received funding since 2019 to deliver the Nexus program – a supported 18-24 month Master of Teaching (Secondary) that gives students the opportunity in their first year of study to intern part-time as teachers' aides in hard-to-staff schools. In the second year, students become 'paraprofessionals' with a 0.8 teaching load (and their own class). Students receive a small, part-time salary while studying as well as access to mentoring and professional development. More than 85 per cent of our Nexus teachers are placed in hard-to-staff, regional and rural schools, and the majority of these students have moved back to their regions after leaving them years before.