

# **Australian Catholic University**

**Submission to the  
Australian Universities Accord Panel**

*Response to the Discussion Paper*

**April 2023**

# Submission to the Australian Universities Accord Panel on its Discussion Paper

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## I. Executive Summary

Australian Catholic University (ACU) welcomes the Australian Government's commitment, through the Australian Universities Accord process, to drive lasting and transformative reform in Australian higher education. ACU appreciates the opportunity to provide feedback on the *Australian Universities Accord: Discussion Paper* (Discussion Paper).

Australia's higher education system is of international repute. While the COVID-19 pandemic significantly disrupted traditional operations, Australian universities have demonstrated their ability to adapt, innovate and quickly respond to such challenges.

Policy reforms, both prior to and during the pandemic, however, have progressively narrowed investment in Australia's universities and introduced a high level of complexity to funding and regulatory arrangements. This trend needs to be arrested and remedied if Australian universities are to retain the capacity to fulfil their roles as national institutions and to meet the legitimate expectations that they will continue to be both internationally competitive and community-oriented.

ACU is a public Catholic university that, uniquely in the Australian context, is also national. ACU's contributions to the Accord and higher education policy development are therefore informed by its experience of operating across multiple Australian jurisdictions. As ACU has seven campuses across three states and one territory, the university interacts with multiple governments, regulatory agencies and professional accreditation bodies.

ACU submits that any higher education policy reforms proposed by the Australian Universities Accord Panel (the Panel) must be grounded in, and affirm, three key principles:

1. Australian universities are autonomous institutions,<sup>1</sup> with their own distinct missions and priorities;
2. any policy settings should reflect the multi-faceted role and contributions of Australian universities – including the responsibility to teach students, conduct research and contribute to the economic, cultural and intellectual life of the Australian community; and
3. any reforms should seek to promote administrative efficiency and minimise undue regulatory burden or complexity.

Currently, there is a disconnect between government policy and funding.

Every Australian university, by definition, is required to engage in teaching, research and community engagement.<sup>2</sup> All three are interconnected and are integral to ensuring that students receive a quality, holistic education and that universities are responsive to the communities they serve as part of their social licence.

Base funding to universities, however, has increasingly focused only on teaching costs (narrowly construed), to the exclusion of funding for universities' other - non-teaching - functions or requirements, such as community engagement, research and the building/maintenance of critical infrastructure.

Moreover, the provision of base funding has become more contingent, fragmented and complex. The funding pie has been sliced ever-thinner into prescriptive specific-purpose funds, each with its own hurdles, reporting requirements and narrow focus.

Changes introduced in the 2020 Job-Ready Graduates (JRG) package placed an expectation on universities to teach more students but did not provide a proportionate increase in base funding. At the same time, JRG transferred a greater share of the cost of Commonwealth Supported Places (CSPs) to students, requiring students in some disciplines to fund over 90 per cent of the cost of their tuition.

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<sup>1</sup> *Higher Education Standards Framework (Threshold Standards) 2021.*

<sup>2</sup> *Ibid.*

In response to these concerns, ACU proposes a new approach to base funding, which:

- streamlines existing funding arrangements, restoring universities' capacity to flexibly direct a proportion of base funding to meet their institutional obligations, including to the communities they serve; and
- recalibrates CSP funding rates to moderate the disproportionate financial burden on students studying "Cluster 1" courses, particularly those studying humanities courses.

With its three guiding principles in mind, ACU's submission presents the Panel with a series of options for a new base funding model. These alternatives offer the Panel the ability to balance its level of ambition for long-term sustainable sector funding with an acknowledgement of the Commonwealth's current fiscal circumstances.

Under ACU's preferred model (see Section A), the Commonwealth would support a 10 per cent increase in universities' base funding, with the cost to the Commonwealth significantly offset by rolling the National Priorities and Industry Linkage Fund (NPILF) and the Indigenous, Regional and Low SES Attainment Fund (IRLSAF) into base funding. Together with proposed changes to the Commonwealth and student contribution amounts, ACU estimates the Commonwealth would spend a similar amount on university funding under this model as it did prior to the introduction of JRG.

In response to the Discussion Paper's questions regarding the regulation of the broader tertiary education landscape, ACU submits that there is scope to better integrate the tertiary education system and support lifelong learning. A more seamless relationship and understanding of the connection between vocation education and training (VET), higher education, life skills and experience, industry and employers is needed.

In order to achieve this, ACU recommends that the Commonwealth:

- facilitate the creation of a national recognition of prior learning database to ensure individuals' skills and experience are assessed consistently nationally (Qs 17 & 20);
- review and revise the Australian Qualifications Framework (AQF) to better connect skills with their practical application and map out the clear progression of pathways (Q18); and
- redistribute existing Commonwealth funding for places in enabling programs across all universities, abolishing the legacy arrangements that currently exist, and allow universities to use base funding for enabling places (Qs 28 & 30).

ACU is keenly aware of the role of universities in educating Australia's future workforce and meeting the nation's skills needs. As the educator of the largest number of undergraduate nursing and teaching students in Australia,<sup>3</sup> ACU has seen first-hand the structural and regulatory barriers – particularly in the sphere of placements – to addressing the significant workforce shortages in these fields.

ACU recommends a suite of reforms to address these issues (raised by Q14), including:

- creating a clearinghouse to provide an equitable and transparent mechanism for allocating placements in both health and education;
- piloting the recognition of advanced simulation in place of some in-situ health placements;
- facilitating use of the My eEquals platform to streamline accreditation processes;
- matching the workforce needs of schools with initial teacher education (ITE) student placements via networked databases maintained by the three major school employer groups; and
- introducing a voucher scheme to grow the number of available health and education placements.

ACU is grateful to the Panel for the opportunity to raise the ideas contained in this submission and would welcome further discussion of any of the recommendations.

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<sup>3</sup> Department of Education and Training. *2021 Higher Education Data Collection – Students, Special Courses*. Section 8, Table 8.3.

## II. Consultation Questions

### A. Funding: Investment, affordability and sustainability

***Q2. How can the diverse missions of Australian higher education providers be supported, taking into account their different operating contexts and communities they serve (for example regional universities)?***

***Q6. What are the best ways to achieve and sustain future growth in Australian higher education, given the changing needs of the population and the current pressures on public funding?***

***Q12. How should an adequate supply of CSPs be sustained and funded, as population and demand increase?***

***Q34. How should the contribution of higher education providers to community engagement be encouraged and promoted?***

***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?***

***Q45. How should the contribution of different institutions and providers to key national objectives specific to their location, specialist expertise or community focus be appropriately financed?***

***Q46. How can infrastructure development for higher education be financed, especially in regional and outer urban locations?***

***Q47. What structure of Commonwealth funding is needed for the higher education sector for the system to be sustainable over the next two decades?***

***Q49. Which aspects of the JRG package should be altered, and which should be retained?***

### **A demand-driven funding system**

ACU submits that a return to a demand-driven funding system (DDS) – including sub-bachelor and taught postgraduate courses – would provide the most effective policy setting to facilitate the necessary growth of, and equitable access to, university education in Australia.

The DDS that operated between 2012 and 2017 enabled universities to respond to both student demand and workforce requirements.

Reinstating a DDS would allow universities to prepare and cater for the impending demographic spike resulting from the “baby boom” of the early 2000s. The number of Australians turning eighteen will start to rise sharply from 2024, which will, in turn, result in a growing number of Australians seeking to access higher education. At the same time, projections show an increasing proportion of future jobs will require a university qualification, further fuelling demand.<sup>4</sup>

A DDS is both a market responsive and sustainable model. Students’ preferences – both in terms of whether to enrol in university and what to study – are influenced by labour market trends and enrolments stabilise accordingly. As enrolment data showed, the DDS had begun to reach a mature equilibrium at the time of its suspension in December 2017 and growth in enrolments under the DDS had plateaued.

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<sup>4</sup> Universities Australia. (2022). *Submission to Australia’s Progress Against Sustainable Development Goal 4*. <https://www.universitiesaustralia.edu.au/wp-content/uploads/2022/08/Sustainable-Development-Goals-Submission-to-DoE.pdf>

The previous DDS was also an important egalitarian measure, enabling more than 220,000 Australians who would otherwise have missed out on a higher education to go to university. Many of these students were the first in their family to attend university.

Further, a return to a DDS would avoid some of the perverse incentives associated with the current capped funding arrangements.

For instance, under the current capped system, universities can effectively choose between educating 15 Commerce students or 1 Nursing student for the same space in their Commonwealth Grant Scheme (CGS) funding envelope. In the first scenario, a university receives over \$240,000 in revenue for educating the Commerce students; in the second, it receives around \$21,000 for educating the Nursing student. This disincentivises universities to grow enrolments in areas of major workforce demand, notwithstanding the national interest that they do so.

At the same time, ACU acknowledges that the impact on the Commonwealth budget of returning to a DDS is by definition uncertain and that central agencies are likely to have a strong preference for a firmly predictable funding envelope. ACU has therefore developed an approach to base funding that can operate either alongside a DDS or within the “funding envelope” model.

ACU’s recommended approach:

- streamlines existing funding arrangements, restoring universities’ capacity to flexibly direct a proportion of base funding to meet their institutional obligations, including to the communities they serve; and
- recalibrates CSP funding rates to moderate the disproportionate financial burden on students studying “Cluster 1” courses, particularly those studying humanities courses.

Under ACU’s proposed approach, the Commonwealth would support a 10 per cent increase in universities’ base funding, with the cost to the Commonwealth significantly offset by rolling the NPILF and the IRLSAF into base funding. Together with the proposed changes to the Commonwealth and student contribution amounts, ACU estimates that the Commonwealth would spend a similar amount on university funding under the preferred (capped) option as it did prior to the introduction of JRG.

## **The role of base funding**

The 2011 Higher Education Base Funding Review (Lomax-Smith Review) articulated the purpose of university base funding in the following terms (emphasis added):

*The purpose of providing base funding is to ensure that public universities have sufficient resources to maintain the quality of course delivery expected from the Australian higher education system. **Base funding to universities provides for the employment of academic staff, and resources (such as administrative support and infrastructure).** This enables universities to deliver teaching and learning programs, to engage in scholarship to inform teaching programs, and to provide institutions with a base capability to undertake research, in appropriately resourced facilities.*

*While base funding serves the broad purpose of resourcing teaching and learning at the higher education level, it also supports publicly funded universities in carrying out their wider role in society. **The receipt of base funding strengthens universities’ institutional autonomy and academic freedom, thus enabling them to contribute to society on a range of levels.** Activities such as leading public debate, enhancing civic and cultural life and pursuing the systematic expansion of knowledge are important outcomes of the provision of base funding.<sup>5</sup>*

Subsequent reforms to CSP funding rates, however, have been built on analyses of the “cost of delivery” of various disciplines and have sought to limit funding to the direct costs of teaching (narrowly construed and averaged across the sector).

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<sup>5</sup> Lomax-Smith, J., Watson, L., and Webster, B. (2011). *Higher Education Base Funding: Final Report*. p. 2.



The JRG package effectively reduced CSP funding per student. It also introduced a high level of complexity to base funding arrangements, increasing administrative and regulatory requirements associated with these arrangements. Further, a proportion of base funding was designated to become contingent on universities meeting certain performance measures, which in themselves are problematic (see p. 14).

These changes left little scope for universities to use base funding to support core requirements, such as infrastructure, community engagement and research, which are fundamental activities of any university – as recognised by the Lomax-Smith Review.

### **Enabling universities to serve the community**

The *Higher Education Standards Framework (Threshold Standards) 2021* requires every Australian University, by definition, to “demonstrate strong civic leadership, engagement with its local and regional communities, and a commitment to social responsibility”.

The Panel’s own Discussion Paper also makes the point clearly (at p. 26):

*Australia’s universities and higher education providers are embedded in, and contribute directly to the development of, their diverse and multi-layered communities. They co-exist with the obligation of higher education to serve the public interest...*

*It is essential that institutions are supported to continue to develop and contribute to the communities they serve.*

Yet there is currently no funding or mechanism in place to support universities to fulfil these objectives.

At ACU, community engagement is an integral part of the student experience, and students have the opportunity to participate in a community engagement activity as part of ACU’s Core Curriculum. In ACU’s teaching and learning programs, around 3,500 students complete community engagement placements each year. This provides a substantial “workforce” to not-for-profit and community sector organisations that work with community members who experience disadvantage or marginalisation. This translates to more than 100,000 hours of work with community each year. Students report favourably on the contribution of their engagement to their education and the broader society. In a 2020-21 survey, 91 per cent of ACU students reported positive impacts for both themselves and their communities from this engagement.

The Carnegie Community Engagement Classification System provides a framework for how universities can be further encouraged to embrace partnerships, mission, and community-engaged approaches (see Appendix 1). The Carnegie System, which has launched in Australia, provides a model for partnership with community stakeholders (industry, government, community) and a means of demonstrating meaningful impact and outcomes for society.

#### **Recommendation 1**

Commonwealth funding for community engagement activities should be embedded into base funding.

### **Ensuring universities can afford essential infrastructure**

Universities are very large institutions requiring vast amounts of infrastructure to perform the full breadth of their activities – including teaching, research and essential support services. This infrastructure stretches from physical campus buildings to advanced laboratories and teaching spaces to intensive technology requirements.

Since the cessation of the Education Investment Fund (EIF) in 2015, Australian universities have not had access to a dedicated fund to support the development of this critical infrastructure.

The EIF was introduced (as one of three important nation-building funds<sup>6</sup>) by the Rudd Labor Government in 2008 for the purpose of transforming Australia's tertiary infrastructure over the following decade. It provided Australia's university sector with a dedicated pool of funding to support strategically-focused infrastructure investments.

As a direct result of the EIF, Australia's universities made substantial improvements to their physical infrastructure over the period it was in operation (2009-2015).<sup>7</sup>

In 2014-15, the Coalition Government determined it would abolish the EIF and redirect remaining funding to other priorities. No further infrastructure projects were supported by the fund, which was subsequently wound up.

The majority of public universities, such as ACU, have limited sources of revenue and are heavily reliant on base funding to cross-subsidise activities – such as infrastructure costs or community engagement – that do not have dedicated funding streams.

It is true that a small number of elite universities are well-served, for example, by their capacity to charge high tuition fees to international students and by large philanthropic donations from generations of successful alumni. The majority of Australian universities, however – particularly those educating the bulk of Australia's future workforce and those based in regional Australia – are not in a position to rely as heavily on auxiliary revenue sources to fund their infrastructure needs.

Short of pursuing extraneous profit-making activities, therefore, most universities rely on base funding to support core activities, including building and maintaining essential infrastructure. In recent years, and particularly under JRG, base funding has been shrinking, reducing universities' capacity to undertake necessary activities or investment beyond the direct cost of teaching.

As a result, ensuring that base funding is adequate to enable universities to maintain infrastructure is a matter of fundamental equity. Should only those students who attend elite universities in Australia's capital cities be entitled to high-quality facilities and learning environments?

ACU submits that base funding should be adequate for universities to support their essential infrastructure needs.

In the alternative, a dedicated fund – in the mould of the EIF – could be established to provide universities with necessary infrastructure funding. However, this is not the preferred policy approach because:

- as autonomous institutions, universities are best placed to make short, medium and long term decisions about how to invest in their own infrastructure;
- such discretionary funds do not encourage long-term planning and may give preference to the construction (and announcement) of new or aesthetically attractive projects over dull but important ones, such as the vital maintenance of existing infrastructure;
- there is the risk such a fund could be the subject of political 'pork barrelling';
- application processes associated with such funds place a significant, resource-intensive administrative burden on universities; and
- there is an imperative to streamline funding arrangements for the sector, rather than add more complexity to, and further fragment, funding arrangements.

If, however, an EIF-style fund is preferred, such a fund ought to acknowledge the relative needs and revenue sources of different universities in the interests of equity and to support all students and communities to have access to first-rate learning and research facilities.

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<sup>6</sup> Alongside the Building Australia Fund and the Health and Hospitals Fund.

<sup>7</sup> See Department of Education, 'Education Investment Fund', <https://www.education.gov.au/education-investment-fund>; Australian Government, 'Expense Measures', *Budget 2009-10*.



## **Recommendation 2**

Commonwealth funding for infrastructure development should be embedded into base funding.

### **Options for reform: changes to university base funding**

As noted above, it is imperative that the level of funding to universities takes into account the need to support essential university functions beyond merely the cost of teaching. These functions include community engagement, infrastructure, research activity and administrative support.

ACU submits that the Commonwealth must ensure universities are funded to deliver on all core aspects of their roles. The most effective way to achieve this is to embed funding for these activities into base funding.

ACU presents a series of three funding models, below, which provides the Panel with options to improve current base funding arrangements.

Under all three options, student and Commonwealth contributions would be rebalanced in order to reduce the dramatic disparity between disciplines created by JRG. In particular, ACU seeks to reduce the burden placed on students in disciplines (such as the humanities) that are currently designated as “Cluster 1”, where annual student fees are set at over \$15,000.

ACU recognises the policy principles underlying a differentiation in student contributions between various disciplines, including factors such as societal benefit and an individual’s future earning capacity. As such, while proposing a moderation of the rates set by JRG, ACU opposes as regressive any proposal that seek to impose a flat student contribution across all disciplines.

In the options presented, below, ACU has sought to restore a degree of balance to university funding arrangements without imposing an unrealistic financial burden on the Commonwealth.

Of the three funding models, ACU endorses Option 1 as the most appropriate. ACU estimates the Commonwealth would spend a similar amount on university funding under this model as it did prior to the introduction of JRG.

In recognition of the fiscally constrained environment, ACU has also produced Options 2 and 3, which present less desirable alternative models.

Option 3 is the least suitable, as it makes no provision for base funding beyond notional “direct” teaching costs. It provides no resourcing for costs such as community engagement, research or infrastructure.

The purpose of Option 3 is simply to present adjusted funding rates that, in ACU’s view, would be marginally fairer to students than those introduced by JRG and which would not require any change to the current level of overall CGS expenditure. Under this model, while there would be no additional call on the Commonwealth budget, universities would be chronically under-funded into the future.

#### **OPTION 1**

In Option 1, ACU proposes a moderation of the existing fee structure to reduce the student contribution disparities created by JRG. In particular, ACU seeks to reduce the burden placed on students in disciplines (including humanities) that are currently designated as “Cluster 1”, which in 2023 attract annual student fees of over \$15,000. This is offset, in part, by a moderate increase in the student contributions for disciplines where these were reduced under JRG.

The key feature of Option 1 is that, in addition to the funding rates set out in Table 1, the Commonwealth would provide a **10 per cent uplift** on each university’s total CSP funding. This

additional funding would sit outside the existing funding envelope and would be designed to support universities to deliver on their core functions including delivering on mission, community engagement obligations, research and infrastructure.

**Table 1 – Funding rates under Option 1**

	CGS (\$)			Students (\$)			TOTAL (\$)		
	Pre JRG	Current	Proposed	Pre JRG	Current	Proposed	Pre JRG	Current	Proposed
Social Studies	11,115	1,109	7,500	6,866	14,630	9,000	17,980	15,739	16,500
Communications	13,669	1,109	5,000	6,866	14,630	13,000	20,535	15,739	18,000
Hospitality	2,258	1,109	2,000	11,458	14,630	13,000	13,716	15,739	15,000
Law, Economics, Business	2,258	1,109	2,000	11,458	14,630	13,000	13,716	15,739	15,000
Society and Culture	11,115	1,109	7,500	6,866	14,630	9,000	17,980	15,739	16,500
Education	11,566	13,369	12,500	6,866	3,985	6,000	18,431	17,354	18,500
English	6,282	13,369	11,500	6,866	3,985	6,000	13,148	17,354	17,500
Allied Health	13,669	13,369	14,000	9,786	8,021	9,000	23,455	21,390	23,000
Built Environment	11,115	13,369	12,000	9,786	8,021	9,000	20,901	21,390	21,000
Clinical Psychology	13,669	13,369	14,000	6,866	3,985	6,000	20,535	17,354	20,000
Visual and Performing Arts	13,669	13,369	13,000	6,866	8,021	8,000	20,535	21,390	21,000
Other Health	11,115	13,369	12,000	9,786	8,021	9,000	20,901	21,390	21,000
Computing	11,115	13,369	12,000	9,786	8,021	9,000	20,901	21,390	21,000
Languages	13,669	16,396	14,000	6,866	3,985	6,000	20,535	20,381	20,000
Mathematics, Statistics	11,115	13,369	12,000	9,786	3,985	8,000	20,901	17,354	20,000
Nursing	15,262	16,396	16,000	6,866	3,985	6,000	22,127	20,381	22,000
Engineering, Surveying	19,434	16,396	16,000	9,786	8,021	9,000	29,220	24,417	25,000
Environmental Studies, Science	24,666	16,396	16,000	9,786	8,021	9,000	34,452	24,417	25,000
Pathology	24,666	27,243	26,000	9,786	8,021	9,000	34,452	35,264	35,000
Veterinary Science	24,666	27,243	26,000	11,458	11,401	11,500	36,124	38,644	37,500
Agriculture	24,666	27,243	25,000	9,786	3,985	8,000	34,452	31,228	33,000
Dental, Medicine	27,733	27,243	27,500	11,299	11,401	11,500	39,032	38,644	39,000

Notes. 1) All rates are in 2022 dollars (indexed). 2) Social Work, Youth Work and Psychology are included under Allied Health; Rehabilitation Therapies n.e.c. is under Allied Health.

To simplify and streamline base funding, and support equity objectives, ACU also proposes:

- The performance-based funding scheme be disestablished, restoring it to the status of guaranteed base funding and ending associated uncertainty.
- All universities should be permitted to flexibly use base funding to deliver enabling programs, to support equity and access objectives.
- IRLSAF and NPILF should be rolled into this uplift to base funding to offset the cost to the Commonwealth.

According to ACU's calculations, the inclusion of IRLSAF and NPILF in base funding, together with the proposed adjustments to Commonwealth and student contribution amounts, would result in the Commonwealth spending a similar amount on university funding under this model as it did prior to the introduction of JRG.

Under this option, ACU estimates that the split between government and student funding (based on past enrolment trends) would be approximately 59:41 for overall base funding. The new funding arrangements would deliver on key objectives for the higher education sector as highlighted in the Discussion Paper.

### OPTION 2

In Option 2, the 10 per cent uplift in universities' base funding is split between the Commonwealth and students. Therefore, in this option, rather than the 10 per cent uplift being a separate payment, the funding has been incorporated into the individual Commonwealth and student contribution rates. (See Table 2.)

ACU estimates this option would save the Commonwealth approximately \$600 million per year compared with Option 2 but it would impose a greater burden on students than Option 1. Under this option, ACU estimates that the split between government and student funding (based on past enrolment trends) would be approximately 55:45 for overall base funding.

**Table 2 – Funding rates under Option 2**

	CGS			Students			TOTAL		
	Pre JRG	Current	Proposed	Pre JRG	Current	Proposed	Pre JRG	Current	Proposed
Social Studies	11,115	1,109	8,250	6,866	14,630	9,900	17,980	15,739	18,150
Communications	13,669	1,109	5,500	6,866	14,630	14,300	20,535	15,739	19,800
Hospitality	2,258	1,109	2,200	11,458	14,630	14,300	13,716	15,739	16,500
Law, Economics, Business	2,258	1,109	2,200	11,458	14,630	14,300	13,716	15,739	16,500
Society and Culture	11,115	1,109	8,250	6,866	14,630	9,900	17,980	15,739	18,150
Education	11,566	13,369	13,750	6,866	3,985	6,600	18,431	17,354	20,350
English	6,282	13,369	12,650	6,866	3,985	6,600	13,148	17,354	19,250
Allied Health	13,669	13,369	15,400	9,786	8,021	9,900	23,455	21,390	25,300
Built Environment	11,115	13,369	13,200	9,786	8,021	9,900	20,901	21,390	23,100
Clinical Psychology	13,669	13,369	15,400	6,866	3,985	6,600	20,535	17,354	22,000
Visual and Performing Arts	13,669	13,369	14,300	6,866	8,021	8,800	20,535	21,390	23,100
Other Health	11,115	13,369	13,200	9,786	8,021	9,900	20,901	21,390	23,100
Computing	11,115	13,369	13,200	9,786	8,021	9,900	20,901	21,390	23,100
Languages	13,669	16,396	15,400	6,866	3,985	6,600	20,535	20,381	22,000
Mathematics, Statistics	11,115	13,369	13,200	9,786	3,985	8,800	20,901	17,354	22,000
Nursing	15,262	16,396	17,600	6,866	3,985	6,600	22,127	20,381	24,200
Engineering, Surveying	19,434	16,396	17,600	9,786	8,021	9,900	29,220	24,417	27,500
Environmental Studies, Science	24,666	16,396	17,600	9,786	8,021	9,900	34,452	24,417	27,500
Pathology	24,666	27,243	28,600	9,786	8,021	9,900	34,452	35,264	38,500
Veterinary Science	24,666	27,243	28,600	11,458	11,401	12,650	36,124	38,644	41,250
Agriculture	24,666	27,243	27,500	9,786	3,985	8,800	34,452	31,228	36,300
Dental, Medicine	27,733	27,243	30,250	11,299	11,401	12,650	39,032	38,644	42,900

Notes. 1) All rates are in 2022 dollars (indexed). 2) Social Work, Youth Work and Psychology are included under Allied Health; Rehabilitation Therapies n.e.c. is under Allied Health.

### OPTION 3

Under Option 3, the total resourcing per place for each field of study would remain the same (i.e. as per the JRG reforms). However, adjustments are made between the student and Commonwealth contribution amounts, including to moderate the excessive financial burden placed on some students by JRG, particularly those enrolling in ‘Cluster 1’ courses.

There is no additional base funding for universities and no additional investment from the Commonwealth under this option. ACU estimates that the split between government and student funding (based on past enrolment trends) would be approximately 52.6:47.4 for overall base funding in this scenario.

While this option is budget neutral to the Commonwealth, it is the least suitable option from the perspective of a sustainable and competitive university sector. In a global market for academic and research talent, and where international students seek the highest calibre education, a failure to invest in Australia’s universities would result in more narrowly-focused institutions, deteriorating infrastructure, increasingly obsolete teaching and research capabilities, and a reduction in universities’ capacity to serve their communities.

**Table 3 – Funding rates under Option 3**

	Commonwealth Contribution			Student Contribution			TOTAL RESOURCING PER EFTSL		
	Pre JRG	Current	Proposed	Pre JRG	Current	Proposed	Pre JRG	Current	Proposed
Social Studies	11,115	1,109	6,739	6,866	14,630	9,000	17,980	15,739	15,739
Communications	13,669	1,109	2,239	6,866	14,630	13,500	20,535	15,739	15,739
Hospitality	2,258	1,109	2,239	11,458	14,630	13,500	13,716	15,739	15,739
Law, Economics, Business	2,258	1,109	2,239	11,458	14,630	13,500	13,716	15,739	15,739
Society and Culture	11,115	1,109	6,739	6,866	14,630	9,000	17,980	15,739	15,739
Education	11,566	13,369	11,354	6,866	3,985	6,000	18,431	17,354	17,354
English	6,282	13,369	10,488	6,866	3,985	6,000	13,148	17,354	16,488
Allied Health	13,669	13,369	13,390	9,786	8,021	8,000	23,455	21,390	21,390
Built Environment	11,115	13,369	12,390	9,786	8,021	9,000	20,901	21,390	21,390
Clinical Psychology	13,669	13,369	11,354	6,866	3,985	6,000	20,535	17,354	17,354
Visual and Performing Arts	13,669	13,369	13,390	6,866	8,021	8,000	20,535	21,390	21,390
Other Health	11,115	13,369	13,390	9,786	8,021	8,000	20,901	21,390	21,390
Computing	11,115	13,369	12,390	9,786	8,021	9,000	20,901	21,390	21,390
Languages	13,669	16,396	14,381	6,866	3,985	6,000	20,535	20,381	20,381
Mathematics, Statistics	11,115	13,369	9,854	9,786	3,985	7,500	20,901	17,354	17,354
Nursing	15,262	16,396	14,381	6,866	3,985	6,000	22,127	20,381	20,381
Engineering, Surveying	19,434	16,396	14,417	9,786	8,021	10,000	29,220	24,417	24,417
Environmental Studies, Science	24,666	16,396	14,417	9,786	8,021	10,000	34,452	24,417	24,417
Pathology	24,666	27,243	25,264	9,786	8,021	10,000	34,452	35,264	35,264
Veterinary Science	24,666	27,243	27,144	11,458	11,401	11,500	36,124	38,644	38,644
Agriculture	24,666	27,243	23,728	9,786	3,985	7,500	34,452	31,228	31,228
Dental, Medicine	27,733	27,243	27,144	11,299	11,401	11,500	39,032	38,644	38,644

Notes. 1) All rates are in 2022 dollars (indexed). 2) Social Work, Youth Work and Psychology are included under Allied Health; Rehabilitation Therapies n.e.c. is under Allied Health.

### **Recommendation 3**

The Commonwealth should adjust base funding in line with Option 1. Namely:

- Adjust funding rates in line with Table 1;
- Provide a 10 per cent uplift on each university's total CSP funding, and roll IRLSAF and NPILF into this uplift;
- Disestablish the performance-based funding scheme, restoring it to the status of guaranteed base funding; and
- Permit all universities to flexibly use base funding to deliver enabling programs, to support equity and access objectives.

### **Comments on the Job-Ready Graduates funding arrangements**

Under the JRG changes, students now bear a greater share of the costs of higher education. JRG increased the average student (vs government) contribution to CSPs from around 42 per cent to around 48 per cent.

Some students, especially in the humanities, pay a much greater share. In courses such as Sociology and Political Science, the average student-Commonwealth contribution is 93:7 (i.e. \$15,142 vs \$1,147 in 2023).

There is an imperative to rebalance the funding arrangements to reduce the disproportionate debt burden placed on some students, especially in the humanities. Each of ACU's three options, above, seek to moderate this impact.

Another significant – and related – issue is that, while JRG seeks to “deliver more job-ready graduates in the disciplines and regions where they are needed most” to aid Australia's recovery from the pandemic, the reform package has contradictory incentives.

For example, JRG earmarked Nursing as priority area, noting the significant and growing workforce demand for nurses and the national imperative to seek to meet this demand. However, funding (and regulatory) constraints have restricted the number of additional Nursing students that universities have been able to enrol.

Under current arrangements, total Commonwealth contributions towards CSPs for each university are capped by a “maximum basic grant amount” (MBGA). Total student contributions are not capped in the same manner.

As the annual Commonwealth contribution for each Nursing student in 2023 is \$16,969, a university could enrol one Nursing student for the same space in its MBGA cap as around 15 Commerce students, as the Commonwealth provides only \$1,147 per Commerce student.

Therefore, as mentioned above (p. 5), under the current capped system, universities are asked to choose between enrolling nearly 15 Commerce students (for which a university will receive around \$240,000 in total resourcing) or 1 Nursing student (for which they will receive around \$21,000).

This disincentivises universities to grow enrolments in areas of major workforce demand, notwithstanding the national interest that they do so.

Furthermore, the JRG reforms were purportedly designed to increase the total number of ongoing CSPs by 30,000 between 2020 and 2024. However, the policy reforms effectively reduced funding per student. Universities, therefore, have effectively had to absorb the cost of additional places, by slicing the existing pie more thinly. Moreover, indexation of universities' MBGA is not guaranteed and needs to be enshrined in legislation, lest the pie itself start to shrink in real terms.



As noted, above, perhaps the most significant issue is that the reforms have effectively reduced the residual base funding available to individual universities to cross-subsidise fundamentally important activities such as research, community engagement and infrastructure development, for which government funding is already inadequate. This has resulted in a much tighter funding environment, which risks the longer-term sustainability and quality of Australia's higher education system.

#### **Recommendation 4**

Enshrine provision for indexation of universities' maximum basic grant amounts (MBGA) in legislation.

### **Other concerns with current funding arrangements**

#### *Move away from increasingly inhibitive funding arrangements and funding prescription*

Overly prescriptive funding arrangements and associated red tape prevent universities from fulfilling their distinct missions or adapting to their local/specialised environments.

There is an observable trend of government funding for higher education being increasingly prescriptive. The JRG reforms introduced a particularly high level of complexity to university funding arrangements and to the base funding regime. They sequestered and further compartmentalised funding for specific purposes, requiring universities to jump through increasing number of hoops to receive essentially their existing level of funding. Australian universities are being called upon to do more with less funding, while managing the increased administrative and regulatory requirements associated with such arrangements.

This has implications for institutional autonomy and, fundamentally, a broader impact on the longer-term strength, diversity and global competitiveness of Australia's higher education sector. The autonomy of universities to deliver on their core functions should be a key pillar of any future Accord while acknowledged the value and strength of the broader regulatory environment overseen by the Tertiary Education Quality and Standards Agency (TEQSA).

ACU's recommended base funding model (Option 1, above) seeks to address these issues. As indicated, reforms should promote administrative efficiency and seek to minimise any regulatory burden on institutions.

#### **Recommendation 5**

In the interests of reducing regulatory red tape and the associated call on universities' resources, the Commonwealth should reduce the proliferation of funding pots (i.e. fragmented funding arrangements), each with their own regulatory burden, ideally by rolling funding into base funding (as per ACU's proposed funding model).

#### *Performance-based funding for the Commonwealth Grant Scheme (CGS)*

In 2020, the Federal Government introduced performance-based funding (PBF) for the Commonwealth Grant Scheme. The PBF scheme ties the allocation of additional CGS funding for Australian universities to assessments of institutional performance against four measures:

- graduate employment outcomes (40%);
- student experience (20%);
- student success (20%); and
- equity group participation by indigenous, low-SES and regional/remote students (20%).

The level of future growth funding for universities was pegged to population growth in the 18-64 year-old age bracket. This would not provide universities with additional funding per student but, rather, the capacity to teach more students over time.



With the onset of the coronavirus pandemic in 2020, however, the scheme was not implemented as originally envisaged. This was in recognition of the adverse impacts of the pandemic on student outcomes, with acknowledgement from government that set targets (including graduate employment rates) and university performance results were consequently affected.

Indeed, the fact that PBF had to be suspended before it had even commenced demonstrates that it was not designed to self-adjust to external factors. While each university's metrics under the PBF are measured against the university's own past performance, all boats will rise and fall with the broader economic tide.

*Problems with a PBF scheme for higher education funding:*

ACU has, from the outset, expressed its concerns in relation to a PBF scheme and warned that Australia should learn from international attempts to implement PBF in higher education, which have demonstrated several shortcomings.<sup>8</sup>

ACU submits that the PBF scheme lacks a sound rationale and clear evidence base and should be discarded. The scheme is unlikely to support the Government's objectives in respect of higher education, such as improving student outcomes, ensuring a well-prepared workforce or improving access to higher education for individuals from under-represented groups. Furthermore, it adds unnecessary complexity to higher education funding and places further administrative burden on both the Commonwealth and universities – a significant consideration amidst significant fiscal constraints impacting on funding for the sector.

There are also technical problems with its design, with core issues relating to:

*Population growth rate:* The 18–64-year-old population growth rate used is far below the 15–19-year-old population growth rate and will result in a significant shortfall of places to meet demand. The latter is the group most relevant to university commencements

*Universities performing at high levels (diminishing rate of return):* There is inadequate recognition of universities performing at high levels. Beyond a certain level of high performance it is very difficult to lift (significantly, or at all at the highest levels) performance outcomes.

*Weighting of performance measures:* ACU previously argued that the four performance measures used in the PBF scheme should be weighted equally (i.e. 25 per cent each). However, graduate employment outcomes was given a larger, 40 per cent weighting. There are several issues with this, including that graduate employment outcomes are subject to external influences e.g. labour market fluctuations, downturns in the economy, individual student characteristics etc.

### **Recommendation 6**

The Commonwealth should formally disestablish the performance-based funding scheme and apply any further growth funding to universities' CGS funding on a non-contingent basis.

<sup>8</sup> See ACU's submission to the Australian Government's consultation on the scheme in 2019. Accessible via <https://www.acu.edu.au/about-acu/leadership-and-governance/government-and-public-policy/policy-submissions>

## B. Meeting Australia's knowledge and skills needs

### ***Q7. How should the mix of providers evolve, considering the size and location of existing institutions and the future needs of communities?***

The Higher Education Provider Category Standards make provision for a range of provider types to operate in the higher education sector and serve the needs of the community for higher education. Fundamentally, every Australian university must continue to be required to engage in teaching, research and community engagement as part of their mandate.

There is a critical link between these activities in ensuring all students are afforded a well-rounded and quality higher education experience, which requires exposure to a culture of critical intellectual inquiry that befits a university education – developing critical skills amongst Australia's future workforce.

While Australia's distinctive and successful higher education environment has developed over time, research has been at the centre of what it means to be a university. Australians conceive of universities as being places for both teaching and research. The 2008 Bradley Review affirmed that research is central to the identity of Australia's universities:

*A distinctive feature of our understanding of universities in Australia is that teaching within them is informed by research to develop or apply new knowledge... The expectation that universities undertake research together with teaching became a feature of Australian universities from the 1950s.<sup>9</sup>*

The 2019 Coaldrake Review also pointed to research and teaching as:

*...two fundamental features [which] have become synonymous with the title "university" and have contributed to the good reputation of Australia's universities internationally for high quality teaching and research.<sup>10</sup>*

ACU therefore submits that the requirement for an Australian University to engage in research, as a defining characteristic, should be maintained. This reflects the important nexus that exists between teaching, learning and research.

### **Recommendation 7**

Every Australian University should, by definition, continue to be required to engage in teaching, research and community engagement as part of their mandate.

### ***Q13. How could an Accord support cooperation between providers, accreditation bodies, government and industry to ensure graduates have relevant skills for the workforce?***

As the university providing the largest number of university graduates entering into professional practice in health and education in Australia, ACU has relationships with multiple professional accreditation bodies for the accreditation of its bachelor and masters entry to practice programs.

In health fields, national accreditation and registration schemes are governed by the Health Practitioner Regulation National Law. There are fifteen national accreditation bodies for health disciplines to work with.

In education, state-based accreditation of initial teacher education (ITE) limits mobility of the workforce and constrains national approaches to ITE by providers. It would be more efficient and

<sup>9</sup> Bradley, D., Noonan, P., et al, (2008). *Review of Australian Higher Education: Final Report*, p. 123.

<sup>10</sup> Coaldrake, P. (2019). *Review of the Higher Education Provider Category Standards – Discussion Paper*, p. 11.

effective if managed nationally. A national teacher accreditation body was first proposed in 2014 but, in its absence, ACU supports the national teacher moderation board recently proposed by the Commonwealth's Teacher Education Expert Panel.

Another issue is that industry-informed curriculum innovation initiatives can quickly fail when they involve disrupting established curricula. This is often because the risk of not obtaining accreditation is too high for universities. The Accord should encourage curriculum innovation, while maintaining quality standards, and engage accreditation bodies to embrace and support change.

### **Recommendation 8**

The Accord should encourage curriculum innovation, while maintaining quality standards, and engage accreditation bodies to support change.

#### ***Q14. How should placement arrangements and work-integrated learning in higher education change in the decades ahead?***

Supervised workplace placements, or work-integrated learning (WIL), enable students to practise and refine the skills they learn at university in real-world settings, such as hospital wards or school classrooms. Students view WIL as an integral part of their university course and evidence shows a positive placement experience can motivate a student to work in hard-to-staff areas of Australia such as regional and remote locations.<sup>11</sup>

A shortage of WIL placements and their rising cost is a major pinch point, however, in the pipeline of essential skilled workers, particularly in health and education. In these fields, the cost to universities of facilitating WIL is increasing faster than the funding universities receive to educate students and is taking up a potentially unsustainable proportion of university budgets.

Moreover, regulators or accrediting authorities often restrict the number of students universities are permitted to enrol in these areas of skills need to the number of placements that universities have managed to confirm in the relevant disciplines.

ACU believes that the receipt of public funding, including by private health and education providers, creates a concomitant obligation – a social contract – to help ensure the pipeline of future workers in these professional fields.

It is a national imperative that schools, hospitals and other providers, which rely on the replenishment of their professional workforces, help ensure that this workforce demand can be met by providing the placements necessary to grow university enrolments in these fields.

ACU recommends the following reforms to address these issues in the areas of health sciences and teacher education in particular:

#### *1. Data collection and public reporting exercises*

ACU recommends that the federal Department of Health and Aged Care (DHAC) and Department of Education (DoE) work with state and territory governments to coordinate data collection from placement providers to understand placement capacity.

This would involve:

- a) mapping exercises of individual providers' capacity to host placements; and
- b) developing a measure to determine this capacity, potentially based on the total number of hours worked by appropriately qualified professionals in relevant fields.

<sup>11</sup> Halsey, J. (2018). *Independent Review into Regional Rural and Remote Education—Final Report*.

## *2. A website providing transparency to the number of places offered by health providers*

ACU recommends that DHAC work with state and territory governments to require large and medium sized health providers (with a minimum staff threshold) to report the number of placement hours they provide each year. This information would be published on a Commonwealth website, alongside the measure of capacity determined in the previous recommendation.

The intention of this transparency exercise would be to recognise those providers doing the “heavy lifting” in terms of facilitating placements, while also highlighting those providers that are not contributing to the preparation of the future workforce to the same extent.

## *3. Comparative research on best practice*

DHAC and DoE should facilitate (and make public) formal research into best practice in the administration of placements in their respective fields, both among Australian jurisdictions and overseas.

## *4. Placement clearinghouses*

DHAC (in relation to health placements) and DoE (in relation to school placements) should establish online clearinghouses to make the number of placements required by universities and the number of placements offered by providers are known to all participants. This transparency would improve collaboration between participants – universities, health providers and schools.

## *5. Incentives and recognition for supervisors*

Registration bodies should introduce credentials for successful supervision in both health and education to ensure supervision is appropriately valued and rewarded by employers and to create an incentive for more experienced professionals to supervise students.

## *6. Support for students on placement*

ACU recommends that future government-funded scholarships for student nurses or teachers be targeted at immediate living expenses while on placement rather than course costs. Additionally, ACU recommends that the Commonwealth remove placements from international students’ work limit of 40-48 hours per fortnight.

## *7. Recognition of limited simulation in place of some in-situ placements*

University-supervised simulation has been used in health for decades to prepare students. Historically, it used replica body parts to teach skills, and manikins for teaching students how to respond to critical incidents such as a cardiac arrest. Today, it is far more sophisticated and uses a range of methods, including computerised manikins, virtual reality and professional actors.

ACU submits that accreditation authorities that do not already do so, such as the Australian Nursing and Midwifery Accreditation Council, should be encouraged to consider including advanced simulation as part of accredited placement requirements.

While ACU notes the significant technological advances in simulation in recent years, as well as international support for the use of simulation as a partial substitute for placements, ACU also recognises there is legitimate debate over the role of simulation in lieu of in-situ placements.

In view of urgent and immediate shortages of experienced professionals available to supervise student placements, ACU recommends a pilot phase of 2-3 years, during which regulators would facilitate and monitor the use of a limited amount of advanced simulation (e.g. up to 10 per cent of minimum placement hours) in lieu of placements.

The pilot period would allow regulators to assess the value and suitability of limited simulated placements, while helping to alleviate the immediate-term workforce supply bottleneck caused by the shortage of experienced professionals available to supervise placements.

*8. Reduction of accreditation red tape through the use of the “My eQuals” platform*

My eQuals is a platform that allows for the secure transfer of digital academic records, including in respect of completed placements. The platform is currently in use across all Australian and New Zealand universities.

At present, however, many registration bodies do not accept digital transmission of official qualifications through the My eQuals platform, requiring PDF or paper documents instead. Unfortunately, this is both a less secure and inefficient method of communication. Adopting My eQuals would save time and resources for universities, students and registration bodies.

*9. Introduction of a placement voucher scheme to fund additional placements*

ACU recommends that the Commonwealth issue universities with vouchers for the dedicated purpose of funding additional placements. Universities would distribute vouchers to providers, which are redeemable for cash from the Commonwealth.

More detailed information on each proposal is provided in **Appendix 2**.

### **Recommendation 9**

The Commonwealth should work with state and territory governments to coordinate data collection from placement providers to map placement capacity.

### **Recommendation 10**

The Commonwealth Department of Health and Aged Care should:

- a) work with state and territory governments to require large and medium sized health providers to report the number of placement hours they provide each year; and
- b) publish this information on a website, alongside the measure of capacity determined in Recommendation 9.

### **Recommendation 11**

The Commonwealth should facilitate (and make public) formal research into best practice in the administration of placements in health and education.

### **Recommendation 12**

The Commonwealth should facilitate the establishment of placement clearinghouses to create a transparent mechanism for allocating placements.

### **Recommendation 13**

Registration bodies should introduce credentials for successful supervision in both health and education to recognise, reward and incentivise placement supervision.

### **Recommendation 14**

Any government-funded scholarships for student nurses or teachers should be targeted at immediate living expenses while on placement rather than course costs.

### **Recommendation 15**

The Commonwealth should remove placements from the limit on international students' working hours.

### **Recommendation 16**

The Commonwealth should encourage any accrediting authorities that do not already do so to consider piloting the crediting of university-supervised advanced simulation towards a limited number of placement hours.

### **Recommendation 17**

Registration bodies should adopt the use of the My eEquals platform to reduce red tape.

### **Recommendation 18**

The Commonwealth should issue universities with vouchers for the dedicated purpose of funding additional placements.



## C. Connection between VET and higher education

**Q17. How should better alignment and connection across Australia's tertiary education system be achieved?**  
**Q18. What role should reform of the AQF play in creating this alignment?**  
**Q20. How can pathways between VET and higher education be improved, and how can students be helped to navigate these pathways?**

There are several reforms which could help improve pathways between VET and higher education, and assist students to navigate them. Broadly, there needs to be more mapping and understanding of pathways between VET and higher education (which are not linear) to ensure students are able to undertake different levels of study throughout their lifetime.

It would also be beneficial for one government portfolio to be responsible for all education sectors, which remains consistent even with changes to the government party.

### **Recommendation 19**

One government portfolio should be responsible for all education sectors, which should remain consistent even with changes in government.

### Recognition of credit and prior learning

ACU recommends the Commonwealth facilitate the creation of a national recognition of prior learning database. This should be precedent forming, informed by disciplinary experts and at arm's length from institutions. At present, institutions are conflicted when awarding credit.

A national register would:

- a) encourage providers to produce curriculum that will be recognised as 'portable' on the register; and
- b) increase the portability of credit attained by students. At present, credit goes unused, sometimes needlessly.

A competency-based assessment is required to support the mapping of credit, experience or qualifications, which would ensure that students' skills and experience are assessed in a consistent, transparent, fair and equitable manner.

### **Recommendation 20**

The Commonwealth should facilitate the creation of a national recognition of prior learning database, to support the development of more portable curriculum and credit attained by individuals.

### Qualifications framework

The wider tertiary education sector needs a qualification framework that can be flexibly applied across all providers, irrespective of whether it is VET or higher education, to encourage the recognition of credit and prior learning between VET and higher education. This would define the different levels of education, without one being subsidiary or secondary to the other, as the focus would be on the definition of the different forms of education, how they complement each other and work together to create lifelong learning.

Another issue which will need to be considered and navigated is that, while Tertiary Admissions Centres (TACs) rely on the Australian Tertiary Admission Rank, there is no equivalent mechanism for VET – and consequently no ability to map the entrance requirements. Notably, the use of the Australian Tertiary Admission Rank (ATAR) as the basis of admission is debated within the sector. Developing a consistent TAC ranking for qualifications could assist to address this issue.

Furthermore, greater transparency and recognition of professional qualifications is needed across the sector to ensure that similar experience, skills and qualifications are being recognised in a consistent and transparent way by all providers.

The AQF can be used to create better alignment within the tertiary education system. Reforms should encourage greater efficiencies between levels 5 and 6, and 8 and 9.<sup>12</sup> There are arbitrary divisions based on funding source which distort outcomes for students and, sometimes, needlessly extend study. Micro-credentials are also currently a very messy area, entailing anything from 1 to 399 hours; there should be a more coherent and consistent approach which is captured in the AQF.

Another issue is that the AQF does not align with the needs of students and employers. A revised framework must clearly connect skills with their practical application, translate to industry and the workplace, and identify and map out the clear progression of pathways.

More advice and guidance is needed to provide greater consistency across the sector, with the framework defining the differences between levels and across the sector, and more detail on the knowledge, skills and applications. The inclusion of practical examples of educational levels, which are mapped to the associated jobs (for example) would provide clarity and a pathway to the next/higher level. The AQF could thus be strengthened to enable students to easily move between the VET and higher education, without the need for articulation agreements between tertiary education providers.

### **Recommendation 21**

The Commonwealth should Create a general recognition of prior learning framework that works across the VET and higher education sectors.

### **Recommendation 22**

The Commonwealth should facilitate the development of a consistent TAC ranking for qualifications.

### **Recommendation 23**

The Commonwealth should use the AQF to create better alignment within the tertiary education system by:

- Encouraging greater efficiencies between AQF levels 5 and 6, and 8 and 9.
- Adopting a more coherent approach to microcredentials, which currently can range anywhere from 1 to 399 hours.
- Revising the AQF to better connect skills with their practical application, translating to industry and the workplace, and to map out the clear progression of pathways.
- Strengthening the AQF, with a view to eliminating the need for articulation arrangements between tertiary education providers.

<sup>12</sup> See AQF: <https://www.teqsa.gov.au/how-we-regulate/acts-and-standards/australian-qualifications-framework>

***Q21. How can current examples of successful linkages between VET and higher education be integrated across the tertiary education system?***

***Q22. What role do tertiary entrance and admissions systems play in matching learners to pathways and supporting a sustained increase in participation and tertiary success?***

This is an area which requires reform and where there is opportunity to improve linkages to better integrate the tertiary education system. Currently, it is here – between VET and higher education – that the transition for students is least smooth in the admission process. Although there is acknowledgment of VET qualifications via ranks, there is not enough recognition of the different levels of academic rigour across fields of education within VET. This makes the rank equivalents too general and unreliable. For example, the academic rigour of a certificate in baggage handling is not the same as a certificate in training and assessment.

ACU recommends the Commonwealth facilitate the introduction of a central, consistent recognition and ranking process that recognises VET in its relationship to successful higher education study. This should be accompanied by reforms to better connect the regulatory bodies for each sector through greater alignment and communication between TEQSA and the Australian Skills Quality Authority (ASQA).

While VET and higher education are unquestionably different in their nature, have distinct objectives and contribute differently to society, the two should not operate as two disconnected realms. Currently, there is no connectivity or integration between the two regulatory bodies, and reporting requirements and monitoring are discrete and effectively siloed, an issue even dual sector institutions must navigate.

#### *Role of tertiary entrance and admissions systems in matching learnings to pathways*

The traditional TAC system, while useful, has its limitations.

The ATAR, utilised by TACs, is a one-dimensional view of students' suitability for study in a chosen field. At-school offers and direct admissions processes allow universities to take a broader view of what a "successful" or "suitable" student is, incorporating considerations which the TAC system does not readily accommodate. At-school offers often happen as part of schemes that assess applicants on a broader basis than a numerical representation of their Year 12 studies, which goes towards the government's goal of supporting each person achieve a better outcome, more clearly suited to interests and capacity.

Where the ATAR is used, the minimum ATAR for entry to highly competitive courses reflects the demand for the course many, not the rank of a given level required for entry or success in that study. Competition forces an ATAR to levels beyond many non-school leavers or those from disadvantaged backgrounds.

At-school offer schemes can address this inequity via more nuanced entry criteria. Direct admission based on a learner profile broader than ATAR is therefore an option for school students, and has been especially important to those whose education was impacted heavily by the COVID-19 pandemic. This benefit is often overlooked in the at-school offer discussions.

Traditional entrance and admissions systems are also only partially effective for some groups of non-high school graduate entrants, such as veterans. For this group, the 2021 Census showed 50 per cent of Australian veterans did not complete Year 12 and 20 per cent of current Australian Defence Force (ADF) personnel did not complete Year 12.

Lack of an ATAR for these students creates a barrier to entry to tertiary level study. Poor high school experiences and outcomes further limit these individuals' confidence to attempt a higher education pathway to a new career.

ACU has developed and introduced a suite of programs to address these barriers to entry and support veterans to transition into and through higher education (see Section D). These include the Veteran Entry Program, and Veteran Uni Taster Days and Veteran Uni Experience Days to address the lack of confidence to consider attempting university.

### **Recommendation 24**

The Commonwealth should facilitate the introduction of a central, consistent recognition and ranking process that recognises VET in its relationship to successful higher education study.

### **Recommendation 25**

Australian universities should not be restricted from using broader entry criteria than ATARs and/or a range of admissions mechanisms to determine suitability for university admission.

## **D. Creating opportunity for all Australians**

***Q28. What is needed to increase the number of people from under-represented groups applying to and prepared for higher education, both from school and from other pathways?***

***Q30. How can governments, institutions and employers assist students, widen opportunities and remove barriers to higher education?***

ACU submits that the following measures would assist to improve higher education participation.

### *Strengthening support for students while they undertake higher education*

ACU submits that support needs to be strengthened for students from under-represented groups in higher education. This requires sector-wide effort and support for a range of comprehensive support measures such as providing more scholarships, on-campus accommodation, on-campus employment opportunities, free or loaned laptops, dedicated orientation activities, ongoing pastoral support, and building targeted academic support programs for students from under-represented groups.

Ensuring the Commonwealth provides adequate base funding for universities to provide dedicated staff and specialist programming for these groups is also important to supporting their success at university, especially for Indigenous students, students from regional/rural/remote areas, and for student veterans. For example, many veterans benefit from a non-standard entry pathway, such as ACU provides through its Veteran Entry Program.

### *Reforming current funding and distribution arrangements for enabling programs*

ACU submits there needs to be an expansion of university preparation programs for students who have not had the same level of foundational educational experience or opportunities as some of their peers. Such “enabling” programs assist in preparing students for what study looks like or level of commitment required to succeed in higher education.

This should encompass efforts to smooth students’ pathways into higher education through the supply of more places in enabling programs. Research shows<sup>13</sup> that poor preparation for higher education study, financial pressures and poor choice of course are factors that may lead students to drop-out of higher education courses.

<sup>13</sup> See TEQSA. (2017). *Characteristics of Australian Higher Education Providers and their Relation to First-year Student Attrition*. p. 24.

Enabling programs are foundation courses of one or more units of study designed to prepare students for higher education by helping them to build the skills they need for university e.g. literacy, numeracy and critical thinking. They generally act as an entry point into a bachelor-level degree for those who successfully complete the course.

Currently, the Commonwealth funds a number of universities to deliver places in enabling programs by allocating a loading towards places in these courses. Universities cannot charge a student contribution for a place in an enabling program so receive the enabling loading instead. However, only some universities are funded to offer enabling courses. Funding for places has also typically been restricted to identified equity groups.

ACU submits the Commonwealth should implement a more transparent and equitable funding arrangement with respect to the supply of enabling programs, and student places therein, in higher education. New arrangements should be made which allow all universities to access funding for enabling programs to support their enrolment of students in equity categories. This would also aid government objectives to improve pathways and linkages between VET and higher education, and support lifelong learning.

The Commonwealth should disestablish the current allocation and funding distribution scheme for enabling places, and start afresh with all universities having equal access and opportunity to offer enabling programs. This is preferable to continuing the administration of historical allocations, which has resulted in some universities not having any Commonwealth funding to deliver enabling places while others have access to a significant pool. Furthermore, all universities should have the flexibility to use base funding to deliver more places in enabling programs.

ACU therefore submits that existing Commonwealth funding for enabling places should be spread across *all* universities, and their funding caps increased accordingly (in the event that demand driven funding is not re-introduced). Universities could then access their funding envelopes to fund enabling places, including the “loading” in lieu of a student contribution.

ACU opened its first enabling program (“Foundation Studies” program) for domestic students enrolled at its campus in Blacktown in Western Sydney in 2021. The course is free for students. ACU has had to self-fund these student places.

Having access to Commonwealth funding to deliver more places would allow ACU to expand its offerings and reach more students for prospective higher education study. Most of ACU’s domestic Foundation Studies students are mature age, from lower-SES backgrounds, and in full-time employment. They are students that would not otherwise have considered commencing a university degree.

A review of the legislation, ministerial determinations and advice regarding what constitutes an “enabling” program is also needed to ensure transparency, clarity and consistency across the sector. Despite the advice in the Higher Education Providers: Administrative Information for Providers stating that “foundation studies or foundation courses that typically do not lead to a qualification are not considered enabling courses for the purposes of HESA”, 31 of the enabling courses in 2020 contained “foundation” in their name.

### **Recommendation 26**

The Commonwealth should:

- redistribute existing Commonwealth funding for places in enabling programs across all universities, abolishing the legacy arrangements that currently exist, and allow universities to use base funding for enabling places; and
- review the legislation, ministerial determinations and advice on what constitutes an “enabling” program to clarify provisions.



Other tailored preparatory and support programs (e.g. support for veterans)

Some groups of students may require dedicated programs to support their successful participation in higher education, and all Australian universities should be encouraged and supported to develop these programs.

With respect to veterans, for instance, ACU has observed that many require the confidence they can be successful at university as a pathway to a new career. Veterans often benefit from a transition course to take them from life in the military (with all its inculcated cultures) to life as a student, such as ACU provides in its free, two week full-time Veteran Transition Program.<sup>14</sup> This preparatory program equips student veterans with the abilities and key skills to succeed in higher education, develop self-efficacy, a sense of belonging and expanded peer networks. Veterans' success and completion rates in higher education can be enhanced with veteran-specific student support services, as developed at ACU.

ACU has made a concerted effort to be the university of choice for veterans, and has established structures and supports to facilitate their transition from Australian Defence Force (ADF) service to higher education study. ACU has introduced several nation-first programs to address barriers to entry and support veterans to transition into higher education. Initiatives include<sup>15</sup>:

- Veteran Entry Program (VEP)
- VEP Family Expansion (increasing higher education accessibility for veterans' family)
- Recognition of Prior Learning (RPL) for Veterans<sup>16</sup>
- Veterans Transition Program
- Student Veteran Support Program
- Veteran First Year Mentoring Program
- Special awards, grants and scholarships
- Student Veteran Exercise Lifestyle Program

Research shows that successful completion of higher education is correlated with higher levels of health and wellbeing,<sup>17</sup> and with successful integration into civilian society for veterans in particular.<sup>18</sup>

ACU considers greater access to higher education opportunities for veterans should be a priority for the Australian Government, as it is in countries such as the US and UK. ACU itself is committed to supporting Australia's veterans and their families in overcoming those obstacles and improving their education, career, health, social connection, and wellbeing.

ACU proposed measures in its 2022 submission to the Royal Commission into Defence and Veteran Suicide to improve the life outcomes of veterans and their families through higher education.<sup>19</sup> Specifically, ACU recommended:

- Implementing the veteran education allowance that was recommended by the Productivity Commission in 2019 to provide non-means-tested income to veterans undertaking full-time education or training. In 2021, the interim National Commissioner on Veterans' Suicide reiterated that implementing this recommendation should be a priority.
- Introducing a living stipend for veterans while they complete their education, similar to the U.S. G.I. Bill, which includes a living wage.
- Creating an additional, dedicated pool of CSPs for veterans, with additional support for veterans enrolled in postgraduate study. If demand driven funding is not re-introduced, there

<sup>14</sup> Australian Catholic University. *The Veteran Transition Program*. <https://www.acu.edu.au/about-acu/student-veteran-services/veteran-transition-program>

<sup>15</sup> Further details of these initiatives can be found via <https://www.acu.edu.au/about-acu/student-veteran-services>.

<sup>16</sup> ACU developed a tailored framework for assessment of formal defence training to individual units of study in higher education, which gives ADF members the option of receiving RPL towards their university study.

<sup>17</sup> Zajacova, A & Lawrence, E. (2018). "The relationship between education and health: reducing disparities through a contextual approach".

<sup>18</sup> Wadham et al, "Australian universities and educational equity for student veterans", 2021.

<sup>19</sup> Australian Catholic University. (2022). *Submission to the Royal Commission into Defence and Veteran Suicide*.



is a need to ensure CSPs are available for universities to enrol veterans beyond existing funding caps.

When looking at access to higher education for specific groups of Australian society, there are compelling reasons for giving particular consideration to ADF veterans. Veterans are a cohort of Australian society with significant potential to contribute to Australian society and the national economy, if they can be given a higher education pathway to a new career after leaving the ADF.

Veterans are mature, have significant life experience and have undertaken significant training in addition to discipline, skills and leadership development in the ADF. Providing Veterans with better access to higher education not only equips them with the knowledge and skills for a new career but it also provides a post ADF transition pathway for these individuals. As an expert witness told the Royal Commission:

*What we know from transitioning into university is that university provides a pathway to regenerate identity, purpose and belonging, which is absolutely what is missing when we leave the Services.<sup>20</sup>*

While improving access to higher education for veterans will not stop veteran suicide, it can significantly help to address the underlying problems faced by veterans when they leave the service by providing a new sense of identity within a structured environment that leads to new and fulfilling employment opportunities.

### **Recommendation 27**

To improve access to higher education for veterans, the Commonwealth should:

- Implement a veteran education allowance as recommended by the Productivity Commission in 2019.
- Introduce a living stipend for veterans while they complete their education.
- Create an additional, separate pool of CSPs for veterans (if demand-driven funding is not re-introduced).

### *Extending demand driven funding for all Aboriginal and Torres Strait Islander students*

From 2021, as part of the JRG package, university places for Aboriginal and Torres Strait Islanders from regional and remote communities have been allocated on a demand driven basis for non-designated bachelor level courses at public universities. This measure implemented a recommendation made by the Napthine Review, which had a specialised focus on improving tertiary education participation and outcomes for those from regional, rural and remote Australia.

There is a strong case to extend this measure to all Aboriginal and Torres Strait Islander regardless of their geographic origin or location, as the majority of Australia's Aboriginal and Torres Strait Islander population live in major cities or inner regional areas (i.e. if demand driven funding is not re-introduced across the board). Australia remains far behind in its targets to improve the educational and life outcomes of Aboriginal and Torres Strait Islanders. ACU therefore recommends that demand driven funding for university places should be extended to all Aboriginal and Torres Strait Islanders, to support the achievement of equity objectives and lift the representation of indigenous peoples in higher education (i.e. if demand driven funding is not reinstated for all students).

### **Recommendation 28**

The Commonwealth should extend demand driven funding for university places with respect to all Aboriginal and Torres Strait Islander peoples, regardless of their geographic origin.

<sup>20</sup> Associate Professor Ben Wadham's evidence to the Royal Commission given in Brisbane on 29 November 2021. Wadham is Director of a Veteran Transition, Integration, and Wellbeing research initiative at Flinders University.

### Developing a system to identify students who disengage with their studies

The Commonwealth should consider developing a service that identifies students who disengage with their VET and higher education studies. The service could then contact those students to advise them of their options and alternatives outside of their initial program whether it be VET, higher education or other avenues. This would require a significant amount of work and collaboration between VET and higher education but would aid efforts to improve educational outcomes and support lifelong learning amongst the population.

#### **Recommendation 29**

The Commonwealth should develop a service to identify and contact students who disengage with their VET or higher education studies.

## **E. Academic workforce**

### ***Q38. How can the Accord support higher education providers to adopt sector-leading employment practices?***

Funding uncertainty and periodic funding cuts – particularly in respect of base funding – have contributed to the degree of workforce casualisation at universities.

While there will always be a need for universities to employ a proportion of their staff on a casual basis to meet changing needs and course requirements, greater medium and long-term funding certainty would enable universities to maintain staff profiles that provide greater employment certainty for staff and reduce reliance on casual staff.

More broadly, ACU sees industrial arrangements governing higher education as unduly complex. The complexity of these arrangements – and their detailed interpretation and implementation – have contributed to a number of the industrial relations issues faced by universities and their staff in recent years.

ACU therefore endorses the submission to this process by the Australian Higher Education Industrial Association (AHEIA), regarding industrial and employment matters to be addressed.

## **F. Delivering new knowledge, innovation and capability**

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

There is insufficient awareness within industry of government support for industry-academia collaborations, and the value companies can derive from working with universities. Expectations for collaboration are placed on higher education institutions. However, industry is often under-represented in conversations between government (the Department of Education especially) and universities, and therefore, are often unaware of the opportunities. There is a need to build awareness within industry, of the value of industry-academia collaborations. In this respect, the Department of Industry could be more involved in creating industry awareness.

The Accord could adopt policy models from countries where governments have found innovative ways to lower the barriers to industry and university collaboration, such as the UK. There is also a need to recognise regional capabilities in Australia to advance research and development. Government should support targeted research that puts local communities on a global and national map. This would include areas such as Western Sydney, where community health infrastructure and services can attract international industry research partners alongside government and universities. ‘Precinct’ specific policies should be introduced to take advantage of unique regional capabilities.

***Q24. What reforms will enable Australian research institutions to achieve excellence, scale and impact in particular fields?***

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

Grant success rates are trending downward as applicant numbers increase. This results in high levels of academic time lost writing unsuccessful grant applications each year.

The Accord could address this by investigating two-stage Expression of Interest (EoI) schemes and/or by-invitation grant schemes.

Furthermore, grant funding that bridges the gap between ‘blue sky’ research and applied research, as well as between research projects, ideas grants, and research institutes (e.g. Centres of Excellence) are needed. The funding model needs all steps on the pathway from blue sky, to translation, and then through to commercialisation of research.

The Commonwealth could also consider funding large scale collaboration projects (for example, like the European Horizon grants), where consortia of partners can collaborate around a key societal challenge. This could be done at a broader scale - for instance, a South-East Asia or Pacific Horizon project.

### **Recommendation 30**

The Commonwealth should investigate 2-stage EoI schemes and/or by-invitation grant schemes, for potential use.

### **Recommendation 31**

The Commonwealth should invest in grant funding that bridges the gap between ‘blue sky’ research and applied research.

## **G. Quality learning environments and student experiences**

***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?***

There are regulatory factors that have an impact on the promotion of quality learning environments. TEQSA, the national quality assurance and regulatory agency for the sector, asks providers to create “quality frameworks” to define what quality means in their context. TEQSA then uses various indicators as proxies for quality measures (TEQSA considers them “risks” to quality). These indicators include staff to student ratios, evidence of complaints, and student satisfaction survey responses; amongst other indicators.

The problem is that there is a misalignment between “quality” and some of these indicators. For example, staff to student ratios are not a particularly good measure for quality. Similarly, responses to student satisfaction surveys do not necessarily say anything about quality.

As TEQSA operates by setting “minimum” standards and “risks” to quality, the current scheme in many respects allows providers to define quality for themselves, which is problematic as bad actors can navigate these minimum standards.

There needs to be a clear definition of quality, informed by evidence, and shared across the sector. The Accord can facilitate the promotion of quality learning environments across the higher education sector by asserting, more strongly, what we know represents quality in higher education. This includes matters such as mandating “teacher presence” in online learning<sup>21</sup>, specifying requirements regarding currency of scholarship and learning resources, and encouraging or requiring cross-institutional standard setting within disciplines.

Providing ‘teacher presence’ in online learning entails ensuring students, during their online learning, are “aware” of a human presence; for example by the teacher responding to emails, posting in forums, assessing their work, and adapting material for current students. TEQSA<sup>22</sup> recognises the importance of ensuring student engagement in online learning. During the pandemic and wide-scale switch to online learning, students reported their appreciation for having the opportunity virtually engage with their teaching staff and fellow students.

Delivering quality online learning involves repositioning resources for teaching; rather than withdrawing resources or reducing them to a virtual textbook. The promotion of quality teaching and learning in higher education in this manner would recognise and differentiate what universities can do – drawing upon people (or human resources) and their expertise; which is distinct from what educational publishers and Online Program Management systems provide.

### **Recommendation 32**

The Accord should promote a clear, evidence-informed definition of quality in teaching and learning which is shared across the sector. This could include mandating ‘teacher presence’ in online learning, currency of scholarship and learning resources, and encouraging or requiring cross-institutional standard setting within disciplines.

***Q39. What reforms are needed to ensure that all students have a quality student experience?***

***Q40. What changes are needed to ensure all students are physically and culturally safe while studying?***

Serving and operating within diverse, multi-cultural Australia, the higher education sector attracts students from diverse backgrounds who must be provided with a safe and inclusive environment.

At the same time, universities are places of intellectual thought, discourse and contests of ideas. Staff and students need to be prepared to confront ideas they disagree with, that challenge or even offend them and that may develop their thinking or, indeed, change their minds. Universities must encourage such critical thinking and not become exclusively sterile “safe spaces” where uncomfortable or unfashionable ideas are taboo or prevented from being expressed.

Of course, universities are highly aware of the need to deliver services aimed at supporting physical safety for students, including:

- sexual safety prevention and response initiatives;
- mental health support;
- e-Safety (especially in light of increased online learning);
- how to provide effective advocacy support; and
- other mechanisms to respond to student concerns and complaints.

<sup>21</sup> D’Agustino, S. (2016). *Creating Teacher Immediacy in Online Learning Environments*. Hershey, Pennsylvania: Information Science Reference. Ligorio, M.B. and Amenduni, F. (2022). *Blended Learning and Teaching in Higher Education: An International Perspective*. Basel: MDPI - Multidisciplinary Digital Publishing Institute.

<sup>22</sup> TEQSA. (2020). *Foundations for Good Practice: The Student Experience of Online Learning in Australian Higher Education during the COVID-19 Pandemic*.

While the sector delivers these services, they are limited by the availability of funding. Universities must fund them from their limited sources of revenue as they are not considered as part of the “cost of delivery” of a university education. As such, ACU’s recommendations regarding base funding (see Section A) pertains also to these university functions.

Another area where there can be reform to ensure all students have a quality student experience is in the facilitation of properly maintained infrastructure. The student physical environment is important. US research shows that buildings and grounds play an important part in the student (and parent) decision-making process when it comes to selecting a university.<sup>23</sup>

Equity concerns can arise where some students are in brand new, high-tech facilities and others are in old, run-down classrooms. Many high schools have better facilities than some universities – and for some students coming to university is a step backwards rather than a step forward. Technology should work and be easily accessible by students and staff. Since the termination of the EIF, universities have lacked funding to support infrastructure development, and this funding gap needs to be addressed (see Section A).

It is vital that international students, in particular, are made aware of their rights in Australia and have access to resources to support their self-advocacy. International students commonly consider personal safety when make decisions about where to study. According to IDP Connect, 51% of respondents (n=11,271) considered how safe the country was for international students when determining their first choice destination country; overall it was the third highest consideration, and was even higher for Australia at 62%.<sup>24</sup>

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<sup>23</sup> Ahn, M. & Davis, H. (2020). Four domains of students’ sense of belonging to university, *Studies in Higher Education*, 45:3, 622-634, DOI: [10.1080/03075079.2018.1564902](https://doi.org/10.1080/03075079.2018.1564902)

<sup>24</sup> Emerging Futures II: Core Partner Webinar, November 2022, IDP Connect.

## Appendix 1: Carnegie Community Engagement Classification

### The Carnegie Community Engagement Classification and other international developments

The Carnegie Community Engagement Classification<sup>25</sup> (“Carnegie Model”) has grown to be regarded as the leading framework and a “gold standard” in the United States for innovative and impactful community-engaged teaching, learning, research and deep institutionalisation of community engagement within a higher education institution. There are 351 American institutions who carry the classification.

Applying for classification requires a rigorous institutional “self-study” around a wide range of indicators of university community engagement, including how community engagement is embedded in learning, teaching and research; staffing policies; evaluation of outcomes and impact; and approaches to community partnerships.

The Carnegie Model definition of community engagement is also consistent with the *Higher Education Standards Framework (Threshold standards) 2021* requirement for Australian universities to “demonstrate strong civic leadership, engagement with its local and regional communities, and a commitment to social responsibility”. The Carnegie Model definition of community engagement is as follows:

The collaboration between institutions of higher education and their larger communities (local, regional/state, national, global) for the mutually beneficial creation and exchange of knowledge and resources in a context of partnership and reciprocity.

The purpose of community engagement is the partnership (of knowledge and resources) between higher education institutions and the public and private sectors to enrich scholarship, research, and creative activity; enhance curriculum, teaching, and learning; prepare educated, engaged citizens; strengthen democratic values and civic responsibility; address critical societal issues; and contribute to the public good.

ACU considers the Carnegie Model to be the leading model globally given its broad higher education focus (i.e. teaching, research, and outreach). There are other models that consider the social impact of universities such as the “Social Traders” social enterprise initiative, and from the Catholic Higher Education field, the “Uniservitate” program for institutionalising service-learning. However, models such as these centre on just one pillar of university function (e.g. teaching or research). In the UK, there are also examples of institutions making “civic agreements” and plans with their local community to drive social impact, however, these plans are very institution specific and are not a broad system of institutional analysis and development to enhance contribution to society. The Carnegie Model offers the latter.

In ACU’s view, the Carnegie Model classification is therefore the preferable model as it encourages consideration of the approach, purpose, impact, and outcomes of university-community engagement in teaching, research, and outreach pillars of the university, while also assessing the institutional structures that support achievement for the public good in these domains. Since the launch of the Australian classification system at the Universities Australia conference in 2022, twelve Australian universities have paid specifically to be a part of the Australian Carnegie professional development network under the auspices of Engagement Australia.

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<sup>25</sup> See <https://engagementaustralia.org.au/carnegie/>



## Appendix 2: Placements and work-integrated learning in Health and Education

Real-world supervised workplace placements, or work-integrated learning (WIL), enable students to refine their skills and, ultimately, help to grow a profession’s workforce. However, a shortage of placements, and their expanding costs, including those associated with their under-supply, is a major pinch point in securing the necessary pipeline of skilled workers in Australia, including in the regions. There are particularly pressing issues in the areas of health and education. ACU provides further detail, below, on its response to Q14.

### Costs of WIL

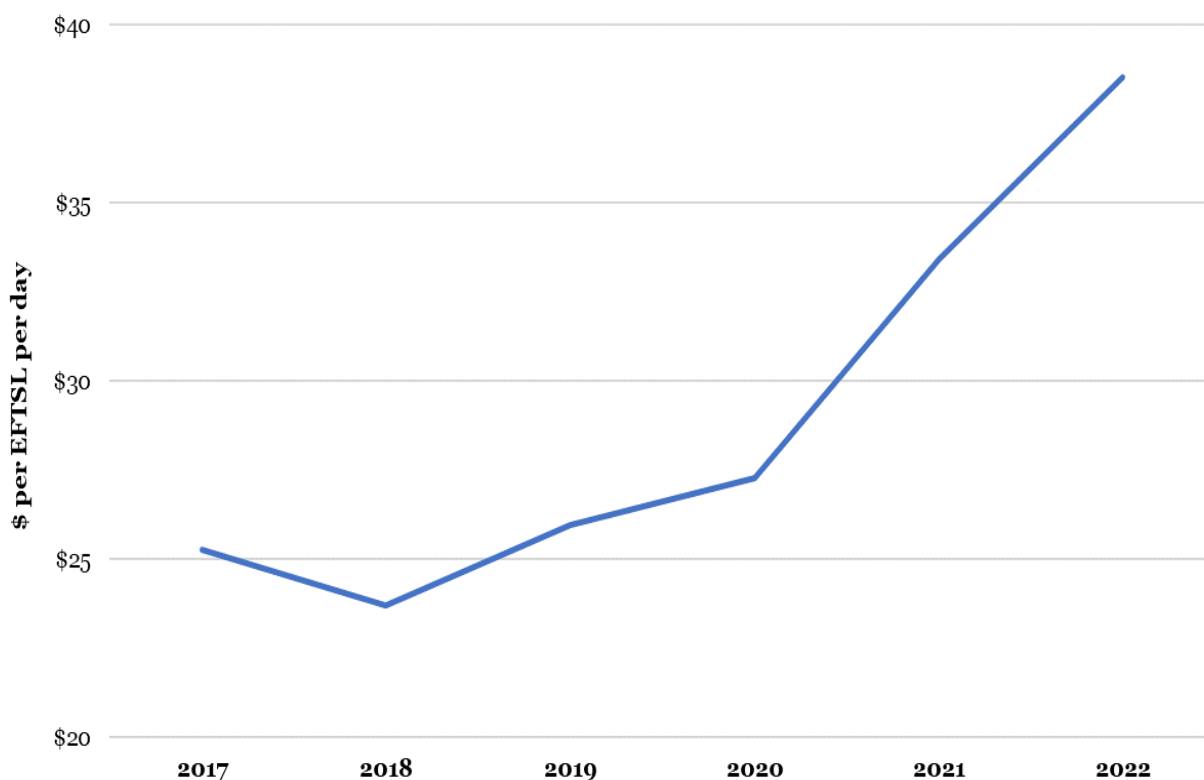
In health and education, the cost of WIL is rising faster than the funding universities receive for these students.

From 2017-22, funding per student for CSPs in teaching increased by only 1.8% and decreased by 0.4% in nursing. Yet over the same period, ACU’s cost per student to provide teaching and nursing placements increased by 52% and 27% respectively.

The cost to ACU of pre-service teacher placements increased from around \$25 to \$39 per student per day. (See Figure 1.)

Overall, the annual direct cost to the university for teacher placements rose from approximately \$3.5 million to over \$5.6 million during this time.

Figure 1. ACU teaching practicum costs, 2017-2022

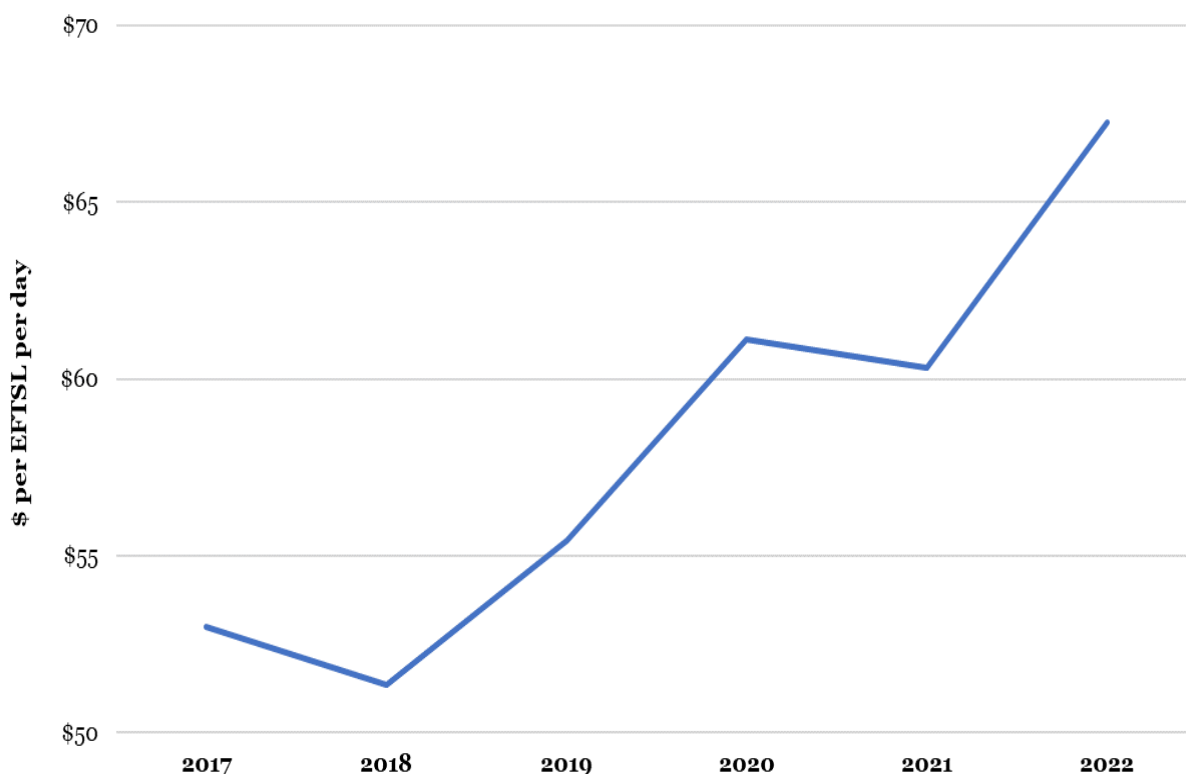


Source. ACU internal data

Over the same five-year period, the cost to ACU of health clinical placements increased by from around \$53 to \$67 per student per day. (See Figure 2.)

Overall, the annual direct cost to the university for teacher placements rose from approximately \$18 million to \$25 million during this time.

Figure 2. ACU health clinical placement costs, 2017-2022



Source. ACU internal data.

These direct costs of clinical placements (\$25 million) consume nearly a quarter (24%) of ACU’s Faculty of Health Sciences’ entire budget but, even then, do not include the additional indirect costs of:

- coordinating students;
- administering agreements;
- or ensuring compliance with regulations.

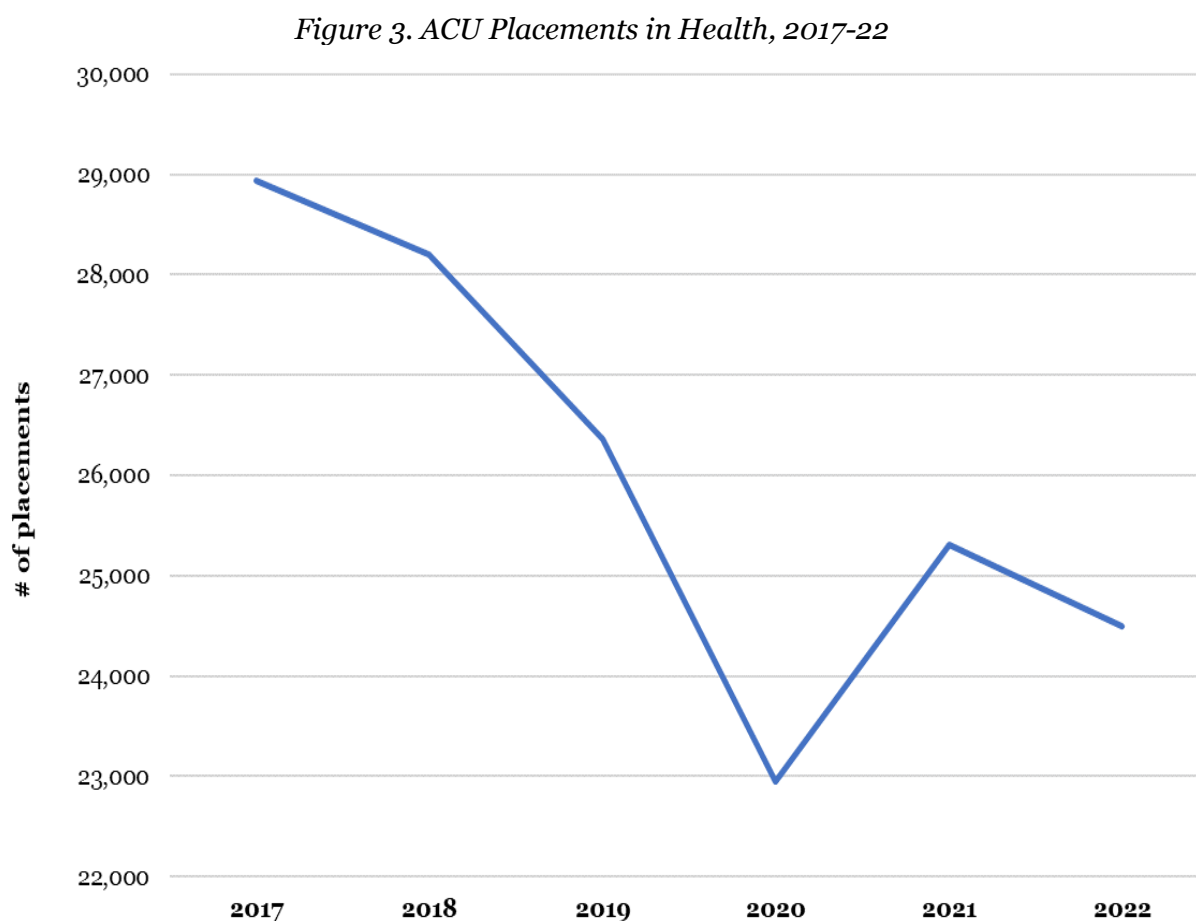
At ACU’s Faculty of Health Sciences, these indirect costs increased by over 20% from 2017 to 2022, exceeding \$1.6 million in 2022.

The above figures do not include quality assurance measures now being applied to WIL. For example, initiatives such as the Teaching Performance Assessments (TPAs) in education have been an enormous exercise yet these quality initiatives, while valuable, sit outside the direct costs of placements.

To summarise, the direct costs of Health and Education WIL (excluding indirect costs) are consuming an increasing proportion of university budgets and growing significantly faster than the funding universities receive for these students.

## Availability of WIL

Over the past five years, ACU’s available health placements have trended down. (See Figure 3.)



Source. ACU internal data.

While ACU stands ready to expand the pipeline of in-demand health professionals, the university – and the sector more generally – is constrained by the limited availability of clinical placements.

Registration bodies restrict universities’ capacity to enrol students in relevant disciplines if the universities cannot provide guarantees that the necessary placements have been secured for these additional students in advance.

For example, the Australian Nursing and Midwifery Accreditation Council (ANMAC) will only approve additional students if they are confident of the adequacy of a university’s staff, facilities *and placements*. If there is a shortage of placements, ANMAC will not approve a university course, which means there will be a shortfall of places and a failure to meet workforce demand.

The limited available of placements is a serious capacity constraint, which is leading to:

- constant, intense competition between universities to secure the placements they need;
- placements in some settings being offered and provided to the highest bidder, effectively being informally auctioned; and
- price gouging and the imposition of onerous administrative requirements.

These onerous requirements include some health providers refusing to allow universities to substitute one student for another in an agreed placement, even with several weeks’ notice, if the original student, for example, has become unwell or has encountered an unexpected commitment.

The relevant clause from one of ACU's clinical placement agreements reads as follows:

**For the avoidance of doubt, the Clinical Placement Provider is not obliged to:**

- a) Provide a Clinical Placement for any more than the number of students committed to in the Placement Planning process; or
- b) Refund any of the fees referred to in this schedule to the Education Provider if less than the number of students agreed to in the Placement Planning process undertake the Clinical Placement.
- c) Accept any new students or student substitutions 30 calendar days prior to the CP commencement date, even if the addition or substitution is intended by the EP to replace a booking cancellation (and cancellation fees will apply in accordance with Item 10 below); or
- d) Provide a CP if the name of the student has not been provided by the EP to the CPP 30 calendar days prior to the CP commencement date. In this instance, the student will not be authorised to undertake the CP and the EP will be liable to pay the cancellation fee in accordance with Item 10 below.<sup>26</sup>

In order to meet the workforce demand for teachers, nurses and other health professionals, universities need to be able to enrol more students in these disciplines. Enrolment numbers, however, are effectively and artificially capped by the number of professional placements available.

Unfortunately, the total placement pie is not growing because:

- experienced staff are more valuable to providers doing “real work” in hospital wards or teaching school classes than supervising student placements;
- these potential supervisors are effectively disincentivised from taking on placement supervision, as they do not receive professional recognition or reward for doing so; and
- there is no direct incentive for providers to offer placements.

The resultant capacity constraint is becoming increasingly apparent through the growing workforce shortages, especially among nurses and teachers.

ACU's recommended approach is designed to grow the placement pies and use knowledge, funding and incentives to allocate placements more transparently and effectively.

## **ACU Recommendations**

ACU agrees with Universities Australia (UA) that “building sufficient, sustainable placement capacity is an urgent need that requires a joined-up approach between universities, government, professions and health services”.<sup>27</sup> The same holds true for school placements.

In many of the recommendations below, ACU identifies the federal Department of Health and Aged Care (DHAC) and the Department of Education (DoE) as the responsible agencies for driving change because:

- the problem is national in scope;
- it impacts national productivity; and
- it requires national leadership and coordination.

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<sup>26</sup> Emphasis added.

<sup>27</sup> Universities Australia (2 December 2022), Employment White Paper submission.

## **Understanding placement capacity**

There is currently no data on the capacity of health services or schools to supervise health and education students, nor any method to identify spare capacity in the system to train the next generation of health and education workers.

The current system of securing placements relies on pre-existing relationships and effective access to industry rumours. Instead of a transparent system, where their number and location is widely known, placements are often secured through established networks and relationships.

Not only is there no clear visibility of the *willingness* of providers to offer placements but there is also no understanding of their *capacity* to do so. Yet there is an urgent need to understand capacity, particularly in the context of post-covid burnout amongst both the education and health workforces.

ACU therefore recommends that the DHAC and DoE work with their state and territory counterparts to coordinate a data collection exercise in order to determine the capacity of providers' capacity to host placements.

This would require – potentially as a condition of any government funding – health and education providers to provide data that is considered a suitable proxy for the capacity of the provider to host placements. That measure should be determined by government but could, for example, be represented by the number of qualified full-time equivalent staff at a certain level of seniority.

## **Providing transparency on health placement capacity and provision**

In addition to establishing each provider's capacity to host placements, ACU recommends DHAC work with its state and territory counterparts to determine – and publish – the number of placement hours each provider actually offered in a given period (e.g. three-month period) for health professions.

Providers should be required to report this information to government – again, as a condition of any public funding, if necessary – which should be collated and published alongside the measure of capacity on a government website.

The purpose of this transparency exercise is to recognise those providers that are doing the “heavy lifting” in terms of facilitating placements, while also highlighting those that are not contributing to the preparation of the future workforce to the same extent.

This transparency is likely to incentivise providers to supervise more student placements.

At the same time, it offers governments a tool to set benchmarks for health providers to host placements, potentially as a condition of the receipt of public funding. This would be consistent with ACU's view of the existence of both a professional obligation and a social contract for industries to offer placements as part of the development of their future workforce.

ACU recommends the website focus on health services first, rather than schools, because:

- (a) the need is greater and more immediate in health; and
- (b) schools have already contributed to the “My School” comparison website.

Existing quality control measures should be strictly observed to ensure that any growth in placement numbers does not result in a diminution of placement quality.

## **Ascertaining best practice in the administration of placements**

As a national university with particular expertise in Nursing and Teaching courses, ACU interacts extensively with providers, regulators and accrediting agencies across numerous jurisdictions.

In view of the different approaches to the regulation of placements that exist in the different Australian jurisdictions, ACU recommends that DHAC and DoE facilitate (and make public) comprehensive research into the differences between Australian and overseas jurisdictions in relation to the administrative of health and education placements.

This aims to understand what constitutes best practice regarding fee schedules, rates structures, supervision models, as well as allocation and coordination of places, to achieve optimal outcomes for students and the workforce.

This exercise should also examine whether student supervision is recognised in industrial awards and professional standards and, if so, whether time and resources have been allocated to this activity.

Finally, it would involve international benchmarking on placement funding and practices in countries with similar health and education systems (e.g. UK).

## **Creating placement clearinghouses**

The current systems for distributing placements are opaque, ad hoc and rely heavily on existing connections and relationships. Consequently, it is often neither fair nor efficient.

School placements, for example, are organised on a school-by-school basis. Since students who have done a placement at a school, particularly in their final year, are far more likely to go on to work at that school after graduating, a system that matches students to specific needs may make the placement of students far more relevant to schools and incentivise them and their teachers to supervise placements.

One example of a positive development is the approach established by a consortium of universities and health services in Queensland to allocate psychology placements. Under this system, placement offers for psychology programs are jointly coordinated by the group, which involves:

- 1) university placement coordinators providing their placement requirements for the following year to the consortium;
- 2) Queensland Health clinical educators providing placement offers to the consortium; and
- 3) student allocations being collaboratively managed at a meeting of consortium stakeholders.<sup>28</sup>

Transparency itself may be enough to effect a better system. However, ACU proposes that the creation of national placement matching services – or clearinghouses – facilitated by the relevant Commonwealth departments could improve efficiency, fairness and relevance in the allocation of placements.

## **Recognising and rewarding supervisors**

It is common – and understandable – that health providers and schools often report that their experienced staff are stretched to capacity and therefore are unable to take on any additional non-core responsibilities, such as the supervision of the next generation of workers.

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<sup>28</sup> Queensland Health (July 2021), *Allied Health Clinical Placement Management Education Provider Reference Guide*.



While the above recommendations go to the overall architecture and incentives for providers to provide placements, ACU submits that the supervisors themselves should receive greater recognition and reward for supervising students. Such recognition could include the award of formal credentials by registration bodies. These credentials would then be recognised by employers, potentially through industrial or other arrangements.

### **Supporting students on placement**

Placements often impose immediate and significant financial pressures on students, especially where students are unable to undertake their usual paid work (outside of their studies) and/or incur additional travel costs. Targeting government support to these periods would be of significant assistance to students.

For example, instead of the schemes operated by the Victorian and NSW Governments to incentivise students to pursue careers in nursing, such funding could be better directed at supporting students during placements, potentially including a loading for students undertaking placements in regional areas or a certain distance from home.

While the existence of the Higher Education Loan Program means that tuition fees are not a barrier to enrolment, costs of living can be a barrier to student success, particularly while on placement.

International students face an additional burden, as study-related work experience counts towards the fortnightly 40-48 hour limit on work imposed by their visa conditions. ACU submits that this burden could be eased by excluding unpaid WIL from the working hour limit for these purposes.

### **Piloting the recognition of limited simulation in place of physical placements**

University-supervised simulation has been used in health for decades to prepare students. Historically, it used replica body parts to teach skills, and manikins for teaching students how to respond to critical incidents such as a cardiac arrest. Today, it is far more sophisticated and uses a range of methods, including computerised manikins, virtual reality and professional actors.

In the United States, simulation is recognised as a component of clinical placement hours, with the number of recognised hours varying by state. The US National Council for State Boards of Nursing recommends undergraduate nursing programs utilise simulation as a substitute for traditional clinical experience, not exceeding 50 per cent of clinical hours, based on their landmark study that found no statistically significant differences in clinical competency for students who had up to half of their traditional clinical hours replaced by simulation.<sup>29</sup>

In 2021, the United Kingdom's Nursing and Midwifery Council also accepted simulated learning for up to a maximum of 300 hours,<sup>30</sup> while a 2019 review of international literature and studies from the UK and US, undertaken by Australian researchers, concluded that "simulation can be used as an adjunct to clinical placement hours".<sup>31</sup>

In teacher education, simulation is more recent, driven largely by developments in virtual reality. At ACU, virtual reality headsets are used to enable pre-service teachers to respond to classroom management incidents and different pedagogical strategies for diverse learners without putting either a child or pre-service teacher at risk. In the early years of ITE study, it is a good option for exposing pre-service teachers to strategies for managing challenging behaviours and how to use classroom spaces in innovative ways for diverse learners.

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<sup>29</sup> Hayden, J.K., et al. (2014). "The NCSBN National Simulation Study." *Journal of Nursing Regulation*. Vol 5, Issue 2, July 2014.

<sup>30</sup> Royal College of Nursing. (2021). *NMC introduces new recovery standard offering simulated learning to students*. (18 February 2021).

<sup>31</sup> Roberts, E., Kaak, V., & Rolley, J. (2019). "Simulation to replace clinical hours in nursing: A meta-narrative review". *Clinical Simulation in Nursing*, 37(C), 5-13.

Some Australian health disciplines accept simulation as a partial substitute for physical placements. For example, the course accrediting bodies for occupational therapy, speech pathology, physiotherapy, and paramedicine allow a proportion of clinical experience to be simulation, based on the findings of Australian research that demonstrated simulation develops student competence as effectively, and potentially more efficiently, than physical placements.<sup>32</sup>

In contrast, the Australian Nursing and Midwifery Accreditation Council (ANMAC) does not accept any simulation towards its requirement that Nursing students undertake a minimum of 800 hours of clinical experience.

Similarly, teacher registration authorities have only recently started to consider the question of whether simulation can count towards placement requirements. Differences are already emerging across jurisdictions, with the NSW Education Standards Authority endorsing some proportion of simulation as a substitute for physical placements, particularly in the early years of ITE candidature, while the Victorian Institute of Teaching does not.

ACU recognises there is legitimate debate over the role of simulation in lieu of in-situ placements, particularly in Nursing. In view of the urgent and immediate shortages of experienced professionals available to supervise student placements, ACU recommends a closely monitored pilot phase of 2-3 years, during which regulators such as ANMAC should facilitate the use of a limited amount of advanced simulation (e.g. up to 10 per cent of minimum placement hours) in lieu of physical placement hours.

This pilot period would allow regulators to assess the value and suitability of limited simulated placements, while helping to alleviate the immediate-term workforce supply bottleneck caused by the shortage of experienced professionals available to supervise placements. Theoretically, allowing 10 per cent of placement hours to be completed through simulation would create an additional 10 per cent capacity in the placement system, which is currently operating as a serious capacity constraint. (See above.)

Of course, simulation done properly requires adequate resourcing. Therefore, regulators should also be encouraged to set minimum standards – albeit pragmatically – for any supervised simulation undertaken towards existing placement requirements.

### **Moving to a secure digital qualifications platform**

Registration bodies currently request hard copies or PDF documents of academic achievement, including placement completion, despite there being a protocol across Australia and New Zealand, known as “My eQuals”, to securely transfer digital academic records.

Reliance by registration bodies on paper or PDF is insecure because they can be amended. The secure My eQuals platform is a cheaper and safer way to verify qualifications that would save time and money for students, universities and registration bodies if adopted more widely.

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<sup>32</sup> Occupational Therapy see: 1) Imms, C., Froude, E., Chu, E. M. Y., Sheppard, L., Darzins, S., Guinea, S., & Mathieu, E. (2018). “Simulated versus traditional occupational therapy placements: A randomised controlled trial.” *Australian Occupational Therapy Journal*, 65(6), 1440-1630; & 2) Chu, E. M. Y., Sheppard, L., Guinea, S. & Imms, C. (2019). “Placement Replacement: A conceptual framework for simulating clinical placements in occupational therapy.”

*Nursing & Health Sciences*, 21 (1), 4-13.

Speech Therapy see: Hill, A. E., Ward, E., Heard, R., McAllister, S., McCabe, P., Penman, A., Caird, E., Aldridge, D., Baldac, S., Cardell, E., Davenport, R., Davidson, B., Hewat, S., Howells, S., Purcell, A., Walters, J. (2021) “Simulation can replace part of speech-language pathology placement time: A randomised controlled trial.” *International journal of speech language pathology*. 23 (1), 92–102.

Physiotherapy see: 1) Blackstock, F., Watson, K., Morris, N., Jones, A., Wright, A., McMeeken, J., Rivett, D., O’Connor, V., Peterson, R., Haines, T., Watson, G., & Jull, G. (2013). “Simulation can contribute a part of cardiorespiratory physiotherapy clinical education: Two randomized trials.” *Simulation in Healthcare*, 8(1), 32–42; & 2) Watson, K., Wright, A., Morris, N., McMeeken, J., Rivett, D., Blackstock, F., Jones, A., Haines, T., O’Connor, V., Watson, G., Peterson, R., & Jull, G. (2012). “Can simulation replace part of clinical time? Two parallel randomised controlled trials.” *Medical Education*, 46(7), 657–667.

## **Funding additional placements**

As noted above, the rising cost to universities of paying for placements has significantly outstripped any increased funding universities have received from the Commonwealth to teach the relevant disciplines. Universities are therefore increasingly deterred from increasing enrolments in areas of vital workforce demand, even if placements were available to meet this demand.

The last time the Commonwealth provided significant new funding for WIL was through the establishment of Health Workforce Australia (HWA), which operated between 2008 and 2014.

Rather than simply providing funds to health providers to host placements, as occurred during the HWA period, ACU recommends that the Commonwealth provide placement vouchers to universities to fund additional placements. These vouchers would be provided by universities to placement providers (such as health providers or schools) and would be redeemable for cash from the Commonwealth. This would insert a degree of rigour and accountability to the funding of additional placements.

ACU does not propose a return to a pre-2009 system, whereby Commonwealth funding for placements was provided to universities separately more broadly.

Moreover, the Commonwealth may seek to split the cost of these vouchers by negotiating with state and territories to share the cost on the basis that the vouchers used in any given state or territory are likely to alleviate workforce shortages in that state or territory.

## Appendix 3: Australian Catholic University Profile

Australian Catholic University (ACU) is a publicly funded Catholic university, open to people of all faiths and of none and with teaching, learning and research inspired by 2,000 years of Catholic intellectual tradition.

ACU operates as a multi-jurisdictional university with seven campuses across three states and one territory. Campuses are located in North Sydney, Strathfield, Blacktown, Canberra, Melbourne, Ballarat, Brisbane and Adelaide. ACU also has a campus in Rome, Italy.

ACU is the largest Catholic university in the English-speaking world, with over 33,000 students and 2,300 staff.<sup>33</sup>

ACU graduates demonstrate high standards of professional excellence and are also socially responsible, highly employable and committed to active and responsive learning. ACU is the number one university in the country when it comes to graduate employment outcomes three years after graduation, with a 95.5 per cent employment rate.<sup>34</sup>

ACU has built its reputation in the areas of Health and Education, educating the largest number of undergraduate nursing and teaching students in Australia<sup>35</sup> and serving a significant workforce need in these areas. Under the demand driven system, ACU sought to focus and build on these strengths.

ACU has four faculties: Health Services; Education and Arts; Law and Business; and Theology and Philosophy.

As part of its commitment to educational excellence, ACU is committed to targeted and quality research. ACU's strategic plan focuses on research areas that align with ACU's mission and reflect most of its learning and teaching: Education; Health and Wellbeing; Theology and Philosophy; and Social Justice and the Common Good. To underpin its plan for research intensification, ACU has appointed high profile leaders to assume the directorships, and work with high calibre members, in six research institutes.<sup>36</sup>

In recent years, the public standing of ACU's research has improved dramatically. The last Excellence in Research for Australia (ERA) assessment (in 2018) awarded ACU particularly high ratings in the fields of research identified as strategic priorities and in which investment has been especially concentrated. For example, ACU more than doubled the total number of top scores of 5 (well above world standard) in the 2018 ERA.

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<sup>33</sup> Student numbers refer to headcount and staff numbers refer to full-time equivalent (FTE).

<sup>34</sup> QILT (August 2020), 2020 Graduate Outcomes Survey – Longitudinal (GOS-L).

<sup>35</sup> Department of Education and Training, *2021 Higher Education Data Collection – Students, Special Courses*. Section 8, table 8.3.

<sup>36</sup> Australian Catholic University, Research and Enterprise, <https://www.acu.edu.au/research-and-enterprise>.