



Australian Government

# Australian Universities Accord

## Final Report



# Australian Universities Accord Final Report Chapter Overview

1. Meeting our current and future skills needs
2. Expanding opportunity to all
3. Delivering for students
4. Producing and using new knowledge
5. A dynamic, collaborative and responsive system that serves the national interest
6. Serving the regions through tertiary education
7. A new funding model to underpin growth and quality
8. Ensuring a smooth transition and achieving lasting reform

29  
findings

47  
recommendations



# The Review sets out a vision for a better, fairer higher education system with 47 recommendations for change...

Grow our skilled workforce

Increase the number of students currently under-represented

Put students at the heart of the system

Improve regional tertiary education

Produce and use new knowledge

Strengthen planning, accountability and performance

# Key recommendations

**A new funding model to deliver growth and quality**

**National Skills Passport**

**Establishing an Implementation Advisory Committee**

**A tertiary education attainment target**

**A Jobs Broker**

**Microcredentials**

**Supporting Research Training**

**First Nations-led Review**

**HELP Reform**

**Solving Australian Challenges Strategic Fund**

**Adjusting the TAP**

**Establishing a single system steward: Australian Tertiary Education Commission (ATEC)**

**Additional CSP medical places in regional universities and for First Nations students**

**Growth through Equity**



## Meeting our current and future skills needs

- There will be substantial growth in demand for tertiary education
- But there are pressures on meeting this future need including low student demand, workforce casualisation, and financial strain in some universities
- Review recommends new targets to drive attainment and grow the system
- Tertiary system must deliver the right mix of skills with greater collaboration between the university and VET sectors

### Target:

- lifting the tertiary attainment rate of all working age people (with at least one Certificate III qualification or higher) from 60% currently to at least 80% by 2050



## New qualifications and better pathways

- Central tenet of the Review is that all parts of the education system need to work together
- Higher education and VET are **two important parts** of the same system, with different strengths
- Growth in higher education needs to be **paired with growth** in VET
- Students should be able to **seamlessly navigate** between both sectors
- More **modular, stackable and transferable** qualifications
- Review envisages **cooperative partnerships** between universities, TAFE, VET providers and industry

**Finding:** Many students move between higher education and vocational education throughout their lives to enhance, broaden and update their knowledge and skills. Pathways between vocational education and training and higher education are currently fragmented and misaligned, making navigation across sectors very difficult. Admission, credit transfer and recognition of prior learning practices are inconsistent and can act as a barrier to further study. These transitions should be made as seamless as possible.



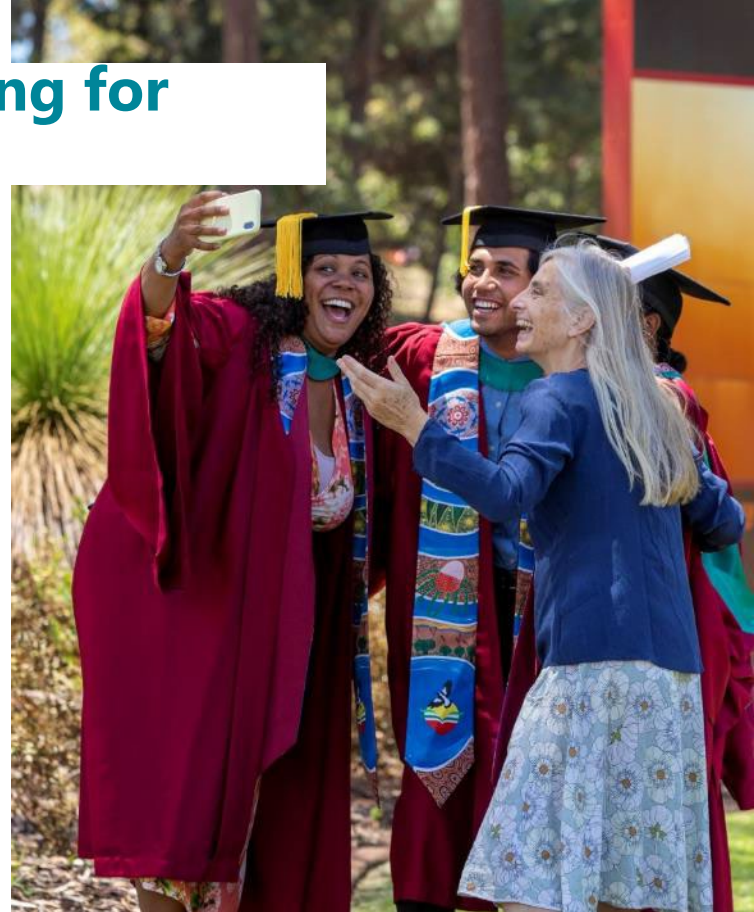
# Expanding opportunity to all – Funding for Equity

- The system **needs to grow** – and a significant amount of that growth needs to come from underrepresented cohorts
- **Attainment and participation targets** should be set for 2035 and the following years
  - Includes targets for **under-represented groups**
- Review recommends changes to how higher education is funded, with a new model that aims for **fairer outcomes for students from underrepresented backgrounds**

**Targets:** Grow the proportion of undergraduate university students from under-represented backgrounds in 2035 to:

- 3.3% from 2.1% for First Nations students
- 20.2% from 17.0% for students from lowest quartile SES backgrounds
- 24.0% from 19.8% for regional, rural, and remote students, and
- maintaining participation rates for students with disability.

This is based on the trajectory required to achieve parity in 2050.



# Delivering for students

- Changes to what students pay for their higher education
  - **Student Contributions** for Commonwealth supported students
  - **Higher Education Loan Program** – repayments and indexation
- Addressing **student poverty**
  - Tackling unpaid mandatory placements
  - Improving income support
- Ensuring a high-quality **student experience** and improving student safety

**Finding:** The HELP system needs to be modernised to make it fairer and simpler. HELP has served Australia well by expanding access to many more students. Its core components – no upfront tuition fees and income contingent repayment – are fundamental to its fairness and effectiveness. HELP is an indispensable part of the higher education funding system, but it requires reform to retain its social licence. Australians should not be deterred from higher education because of the increased burden of student loans.

**Finding:** The proportion of Australian students studying part-time is increasing. Students are, on average, taking on lower study loads, most likely to accommodate extra paid work, and taking longer to complete their degrees. Supporting combinations of earning and learning that enable more students to study successfully and complete relevant qualifications in timely ways is an urgent priority for tertiary education. Australia needs more people working and more people learning, in the decades ahead.



# Producing and using new knowledge

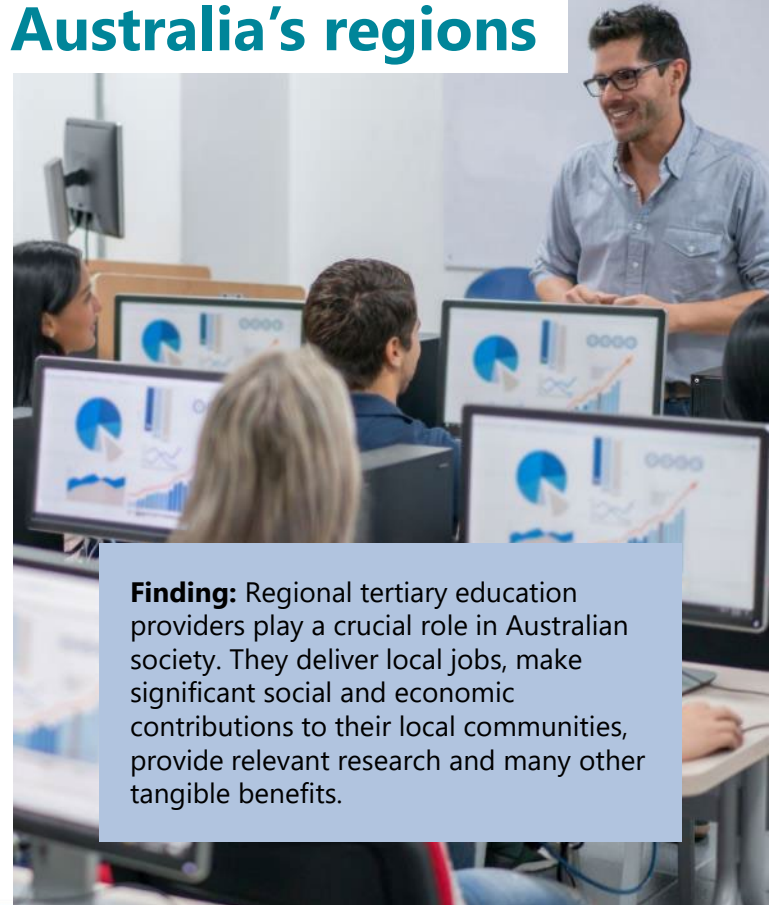


- Making sure that Australian university research has maximum **impact**
- Reward universities which use research findings to address **significant national challenges**
- Developing a considered **R&D target strategy**
- Moving towards the **full economic cost** of university research
- Raising the minimum **stipend** for HDR candidates
- Improving **research evaluation** and data collection

**Finding:** While Australian universities invest significantly in research, national R&D expenditure overall is low for an advanced economy and our rankings on innovation indices are poor. Securing Australia's high-quality research bedrock will require significant growth of Australia's R&D system. This growth cannot be achieved without a significant increase in Australia's expenditure on R&D as a proportion of GDP.

# Improving tertiary education in Australia's regions

- Recognises the importance of tertiary education and institutions to regional communities and their economies
- The Review's recommendations have been designed with regions in mind, covering:
  - Funding
  - Stewardship
  - Equity
  - Cost of education
- **Regional University Study Hubs** have been successful
- Issues with the eligibility criteria and timing of payments for the **Tertiary Access Payment**
- There are further opportunities for the **Regional Education Commissioner** to explore in order to strengthen regional tertiary education



**Finding:** Regional tertiary education providers play a crucial role in Australian society. They deliver local jobs, make significant social and economic contributions to their local communities, provide relevant research and many other tangible benefits.

# A dynamic, collaborative and innovative tertiary education system



**Finding:** Our tertiary education system lacks the coordinated, future-focused and evidence-based, decision-making capacity necessary for Australia's future success. This must change. Over the past 20 years, there have been significant failures – both of action and inaction – where the absence of a strong sector stewardship function has been telling. The tertiary education system is too important to Australia's social, economic and environmental wellbeing to leave its future to the uncoordinated action of individual institutions.

- Developing an overarching **National Tertiary Education Objective**
- A new **leadership and stewardship arrangement** to facilitate transformation of the tertiary education system
- Establishing a single system steward: an **Australian Tertiary Education Commission** (ATEC)
- Placing First Nations people at the heart of the tertiary education system, with **First Nations leadership** to advise on improving student participation rates and strengthening First Nations knowledge and research
- Delivering planned and managed growth through a **better funding model**

# A new funding system

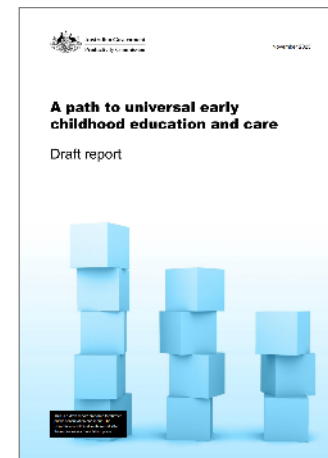
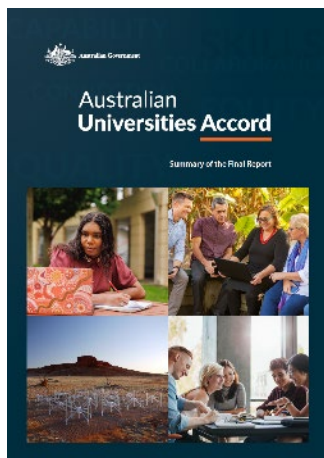
- **Core funding (prices):**
  - Subject funding (student contribution plus Government contribution)
  - Needs-based funding (student-based and location-based)
- **Volume and distribution:**
  - Moderated Growth Targets (MGTs)
  - Funding Floor
- Australian Tertiary Education Commission – a system steward

**Funding:** The current funding system is overly complex, fragmented and difficult to comprehend. It needs to be simplified.

			Commonwealth supported places (CSP)			
			Preparation courses	Undergraduate CSP	Postgraduate CSP	Non-CSP (UG and PG)
Core funding	Subject funding	Student contribution	None	3 bands	3 bands	Full fee (provider Scholarship for some students)
		Australian Government contribution	Fixed contribution	Public Benefit Contribution	Public Benefit Contribution	None
	Needs-based funding		Student-based Delivery-based	Student-based Delivery-based	Student-based Delivery-based	N/A
Supporting ICLs	Loan Access		N/A	HECS-HELP		FEE-HELP
	Loan Subsidies		N/A	<ul style="list-style-type: none"> <li>• Interest-rate subsidies</li> <li>• Non-repayment subsidies</li> </ul>	<ul style="list-style-type: none"> <li>• Interest-rate subsidies reduced by loan fees for some students</li> <li>• Non-repayment subsidies reduced by loan fees for some students</li> </ul>	
Volume and Distribution	Tolerance Band		Moderated Growth Target Funding Floor			N/A N/A
	Courses eligible for Australian Government funding		Determined by the Commission			N/A
System Stewardship	Australian Tertiary Education Commission		<ul style="list-style-type: none"> <li>• As the pricing authority, it will advise the Australian Government on the evidence base for core funding levels at the undergraduate and postgraduate level and make independent pricing decisions, within a policy framework and funding envelope set by Government</li> <li>• Advises the Australian Government on evidence base for core funding levels at undergraduate and postgraduate level.</li> <li>• Manages Tolerance Band: determines Moderated Growth Target and Funding Floor for sector (incl. any tailored arrangements).</li> <li>• Determines eligibility of postgraduate CSP; whilst ensuring maximum flexibility for providers to manage demand.</li> <li>• Monitors and oversees enabling courses.</li> <li>• Determines designated places for medicine.</li> </ul>			<ul style="list-style-type: none"> <li>• System oversight role.</li> <li>• No price or volume controls.</li> <li>• Determine and manage Scholarship contribution.</li> <li>• Advise on loan subsidy contribution level.</li> </ul>
	Tertiary Education Quality and Standards Agency (TEQSA)		System regulation and quality assurance			

# The Australian Universities Accord is one part of a much bigger piece of work

One of the **major education sector reviews** to support the Australian Government's aspiration to drive better educational outcomes from early childhood education, school education, through to tertiary education.





## Next steps

**Final Report released Sunday 25 February**

**Department of Education's webpage**

[www.education.gov.au/australian-universities-accord](http://www.education.gov.au/australian-universities-accord)

- Delivering reform in stages
- Ongoing engagement with stakeholders crucial to building enduring reform

Australian  
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