

Australian Universities Accord

ACCI Submission

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Introduction

Australia needs a vibrant, quality and sustainably funded post-secondary education sector as it is vital to meeting our knowledge and skills needs, now and in the future. There are more than 1.6 million students per year who are educated at an Australian higher education provider. The Universities Accord review provides an opportunity for big picture thinking to be applied to a highly respected system that could benefit from a range of improvements to truly deliver world leading quality outcomes.

ACCI has been a long-time advocate for work-integrated learning as key initial step to obtaining both technical and soft skills for those studying. The benefits for students, industry and employers from accredited internships, cadetships, placements, simulations and industry projects being undertaken are many. It allows for students to gain workplace skills and it provides employers with access to a previously untapped pipeline of students that could become potential employees.

While Australia's higher education providers have established some effective collaborative partnerships with industry, there is room for improvement in terms of interconnectedness. Collaboration with industry should be a key component of the higher education system, as it offers significant potential for productive collaborations.

International students are an essential element to the higher education journey both for providers and for classmates. Attracting more international students to Australia through internationally competitive teaching, research and post-study work rights are key to further growth in this area.

Lifelong learning is a key part of the learning journey to ensure industry has access to the skilled employees required to prosper and succeed. The shift from traditional industries to knowledge-based industries requires businesses to constantly adapt and innovate in order to remain competitive, which in turn requires a workforce that is skilled, adaptable, and continuously learning. In recognition of the multiple career changes the average worker undergoes, microcredentials and improved recognition of prior learning are integral to providing for continual upskilling and reskilling.

When reviewing the higher education system, it is crucial to prioritise quality education and teaching as a fundamental component of any reform measures. All changes should be grounded in evidence of graduate outcomes and whether the education system is effectively meeting the demands of the labour market.

It is crucial to acknowledge the interconnection between higher education and Vocational Education and Training (VET) and treat them accordingly. It has been estimated that by 2030, nine out of ten jobs will require a post-secondary qualification, thus necessitating a system that can meet these demands. A holistic approach should be adopted to tertiary education through both a policy and funding framework that aims to deliver consistency across the system and values VET and Higher Education equally.

Improving the rate of participation for students, particularly those from low socio-economic backgrounds or located in rural, regional and remote Australia will produce graduates with the skills that industry needs, and will be a source of ideas that can create opportunities and provide solutions to our nation's challenges.

Creating job ready graduates

Over the course of the coming decades, it is imperative Australia's higher education system delivers graduates possessing both the hard and soft skills necessary to meet the demands of the ever-changing workplace. To deliver on this outcome, increased collaboration between higher education providers and businesses should be prioritised, with a specific focus on work integrated learning (WIL). This approach can better equip individuals for their careers after graduation through valuable networking opportunities and real-world experience, while industry gains access to a pipeline of potential employees.

The role of WIL has never been more important as an avenue to providing students with on-the-job experience. Depending on how long they stay in post-school education, many young people could be reaching their early to mid-twenties with little work experience. This means they are competing with other more experienced adults on a similar pay rate but with a lot less experience. Therefore, increasing opportunities to enhance job readiness, including acquiring the skills expected by modern workplaces, is crucial.

In 2015, Australian universities and industry worked together to develop the National Strategy on Work Integrated Learning in University Education. The Strategy was led by Universities Australia with industry stakeholders such as ACCI, Ai Group, Business Council of Australia and the Australian Collaborative Education Network. The National WIL Strategy aims to increase opportunities to participate in WIL and recognise the benefits to students, industry, higher education providers and the economy. While the strategy has increased awareness of the value of WIL, its application has been inconsistent and federal government assistance is required to develop a national approach.

The federal government is key to the development of a national WIL strategy to ensure a consistent approach. The student and industry experience should be at the centre of the WIL Strategy, all stakeholders should reap tangible benefits and a governance framework should be developed. It is also important to establish effective methodologies to gather data and feedback, which can be used to monitor the participation of the industry and the overall experience of WIL. The federal government should develop the WIL strategy in close consultation with key stakeholders including higher education providers and industry to ensure it is fit for purpose.

To facilitate the participation of higher education providers and businesses in WIL, there is a need for funding of infrastructure such as brokering centres. These centres could provide a range of services, such as identifying and matching appropriate industry partners with higher education providers, coordinating work placements, and providing ongoing support and evaluation of the WIL program. Activities the centres could be responsible for could range from accredited internships, cadetships, placements, simulations and to industry projects. It is important a wide range of WIL opportunities and activities are developed so all students regardless of location or socio-economic background can participate. The centres could provide a key role in assisting employers, from templates to advice, to ensure successful placements from both perspectives. Additionally, they could manage an online WIL marketplace, whereby businesses advertise research projects and students apply to work on them.

ACCI is aware the University of Newcastle has mandated that all students commencing from 2023 automatically have WIL embedded as part of their formal degree. The university has developed significant wraparound services to enable students and industry to engage with each other. ACCI would like to see all higher education providers use this as example to make WIL a core component of a degree, with the appropriate supports also implemented.

To incentivise participation, there could be a range of options for students, industry and higher education providers. For students, WIL units should have no HECS applied, and an accommodation vouchers

program for those who live in rural or remote areas, dependent on financial circumstances. Industry incentive schemes could include tax incentives and additional support to create fit-for-purpose WIL solutions for small and regional businesses. Universities offering WIL units should be eligible for those units to receive funding through the Commonwealth Grant Scheme.

By investing in WIL, the government can support the development of a more skilled and job-ready workforce, benefiting both individuals and the broader economy.

Recommendation: Develop a National WIL Strategy to be led by the federal government which embeds higher education providers and industries in the centre of the strategy.

Recommendation: WIL to be a core component of all higher education undergraduate degrees with supporting infrastructure such as brokering centres to assist with the uptake of a wide range of WIL activities accessible to all students, regardless of location.

Recommendation: Incentives for students including no HECS for undertaking a WIL unit, development of an accommodation vouchers program, dependent on financial circumstances.

Recommendation: Incentivise businesses via tax incentives and additional support to create fit-for-purpose WIL solutions for small and regional businesses.

Improved research collaboration with industry

Australia's higher education providers have some well-developed collaborative partnerships with industry, however more can be done to improve the interconnectedness. Collaboration with industry should be a central component of the higher education system as it provides a plentiful breeding ground for fruitful collaborations. There are a range of opportunities that could be considered that benefit higher education providers: diversifying funding streams and providing opportunities for students to gain real-world hands-on experience. Industry obtain access to a student cohort to problem solve often complex ideas.

ACCI supports the suggestion by the Victorian Chamber of Commerce and Industry of the creation of industry-based research and learning precincts which should be formally integrated into the Australian higher education system. Industry would partner with higher education providers to participate in research and innovation. This would ensure industry is permanently and actively shaping the knowledge, training, and skills of our future workforce and strength the relationship with higher education providers.

These precincts would serve as hubs for idea exchange and collaboration, where researchers and startups work together in shared facilities and labs. Bringing industry professionals into these learning precincts to share their practical expertise and knowledge would be beneficial. In exchange, they could use shared research facilities to develop innovative solutions to industry challenges. This approach would facilitate the transfer of industry knowledge and skills to students, as well as stimulate innovation.

The Australian Research Council (ARC) has been an instrumental component in linking universities, industry and other research over the past 70 years under various iterations. The ARC remit includes the provision of high-quality research policy advice; overseeing the Australian research ethics and integrity framework; the national university research assessment system that promotes excellence in research and its engagement and impact; powerful data assets; and fostering research quality, translation and impact¹.

¹ <https://www.arc.gov.au/about/our-organisation/reporting/arc-strategy>

ACCI notes the ARC is currently undergoing a separate legislative review and urges any reform to be coordinated with recommendations of the Universities Accord to avoid unnecessary duplication or crossover.

The Commonwealth should consider transitioning, where appropriate, from university-based research to industry-based research for doctoral programs. This would involve industry proposing paid research projects that require assistance, and PhD researchers applying to work in industry to solve these problems. The French doctoral system serves as a practical model that the Commonwealth could adopt, where doctoral researchers conduct full-time research in industry with a thesis supervisor.² This approach would enable the integration of industry collaboration into postgraduate research programs and would be mutually beneficial to students who require industry experience and businesses that need solutions to problems. It would also establish a permanent connection between academia and industry, creating opportunities for knowledge exchange and collaboration.

Small businesses in particular require further assistance to commercialise. With small, medium, and family enterprises (SMFEs) making up a large portion of the Australian economy, the Commonwealth should look to adopt the Small Business Innovation Research (SBIR) program run by the United States. This program encourages small businesses to engage in federally funded R&D with the potential for commercialisation. This would stimulate technological innovation and foster participation in entrepreneurship by women and socially or economically disadvantaged persons.

Recommendation: Creation of learning precincts to be established by industry and higher education providers to participate in research.

Recommendation: A closer engagement between higher education providers and industry using PhD researchers to solve research problems.

Recommendation: The ARC Review and University Accord panel to collaborate to ensure cohesion in recommendations.

The role of international students

Australia's highly regarded education system makes it one of the most popular countries for students looking to undertake an education program abroad. Australian education providers offer a range of services to international students including school education, vocational training, higher education and English language tuition.

The COVID-19 pandemic resulted in large numbers of international students returning to their home countries and an almost two-year period of very few students arriving in the country due to border lockdowns. This has had a significant impact on the number of international students in Australia; indeed the number of granted student visas was approximately 115,000 less in 2021-22 than in 2017-18. The international sector has found its position of continual year-on-year increases in international student numbers become a sharp downturn. However, the sector is well-placed to recover strongly with the implementation of the right policy settings with clear student visa processes, emphasis on campus learning and improved linkages with providers and industry for work integrated learning opportunities.

² Campus France (2017). *What Is Involved In A Doctorate In France*. Accessible at: <https://www.campusfrance.org/en/what-involved-Doctorate-France>

ACCI made a detailed submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into Australia's tourism and international education sectors, which contained a number of recommendations aimed at ensuring future policy settings enable a strong recovery and set the sector up for the future. We commend these recommendations to the Panel.

A key measure to attract and retain international students is improving the application process for student visas. The Productivity Commission's 2015 report on barriers to growth in service exports called for the migration process for short-term visitors and students to be no more onerous than is necessary to maintain immigration integrity. It is vital that Australia is a competitor in the international education market as competition is strong, and countries such as Canada have attractive migration settings that look to tap international students for settlement by offering them a pathway to permanent residency.

There is a strong link between favourable migration settings and international student numbers. Several reforms in migration policy from 2008 to 2012 affected access to international student visas, and resulted in a fall in international student commencements in higher education from 2010 to 2013. The ability to work post-study is an important factor in the decision-making process for international students to choose their destination. The exposure to a new work environment and resultant opportunities and experiences are invaluable.

The current Temporary Graduate visa (subclass 485) provides this opportunity for international students. The Temporary Graduate visa allows the recent international graduate to experience the Australian workplace, while employers derive significant benefits from employing recent skilled graduates who bring not just the skills gained during their study but also a unique perspective which enriches the work environment. However, certainty of employment and business continuity are both affected when the recent international graduate's post study period is up.

The federal government's recent moves to increase this period by two years for certain degrees in key skilled shortages areas was a welcome move. However, it needs to be extended to all graduates, at least in the short term to assist businesses facing significant workforce shortages across all industries. In addition, this visa subclass needs to be reviewed as it does not provide a pathway to permanency, with international students having to navigate Australia's complex migration system, including if their occupation features on any of the skilled migration occupation lists and is eligible for skilled migration.

The Commonwealth should also seek to engage in more research collaborations and partnerships with international education institutions to make our higher education institutions more attractive to international students. Creating agreements between tertiary institutions in cities around Australia and overseas would allow international students to travel while they study. This would make our higher education system more appealing to prospective international students.

Recommendation: Improve the application process for student visas.

Recommendation: Implement additional recommendations as set out in ACCI's [submission](#) to the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into Australia's tourism and international education sectors.

Recommendation: Increase Australia's ability to compete for the best and brightest international students by extending the Temporary Graduate Visa to two years for all graduates for at least the next financial year.

Recommendation: Establish more research collaborations and partnerships with international higher education institutions to make Australian higher education institutions more attractive to international students.

Lifelong learning

In today's rapidly changing world, lifelong learning has become even more critical because it allows individuals to continuously acquire new knowledge, skills, and competencies throughout their lives. Lifelong learning is particularly important to Australian businesses due to the country's rapidly evolving economy, changing workforce demographics, and increasing global competition. In order to meet these changing demands, there needs to be a nationwide and consistent approach to microcredentials and recognition of prior learning.

As skills shortages continue to have a significant impact on businesses across the country, employers and workers are exploring innovative ways to upskill themselves. Microcredentials offer a potential solution, providing tailored short courses that are accredited, stackable, and designed to be completed without requiring workers to take extended time away from their jobs. The target for microcredentials are mid-career workers transitioning to a new sector, department or job (frequently women) or current workers needing additional skills. They can serve as a useful tool for upskilling workers in emerging technologies and processes, and help them transition into new roles. However, it is essential to note that microcredentials should not be viewed as a substitute for VET or higher education qualifications.

In early 2022, the Australian Government released a ['National Microcredentials Framework'](#). The framework provides a structure that defines and funds microcredentials in a consistent, systematic way, and guiding principles. There remains a lack of awareness around the existence of the framework. It needs to be promoted across VET, Higher Education and industry with guidance to allow for clear and consistent application and understanding across all sectors.

ACCI contends that, for microcredentials to effectively serve their intended purpose, businesses require additional support. The roles of microcredentials, the means of obtaining them, and the functions of state agencies remain obscure to businesses. There is a lack of readily available information for employers to comprehend the value of microcredentials or how bespoke, targeted courses could be leveraged in their operations.

The Department of Education has been deploying the framework operationally through its \$18.5 million university microcredential pilot program. It is also overseeing a federally-funded platform called MicroCredSeeker that lists microcredentials offered only by higher education providers. The funding for this platform which is set to expire at the end of the 2022/23 financial year should be extended to include VET providers and ongoing funding be allocated for the platform's maintenance and future course delivery.

A key part of the lifelong learning journey operating effectivity is the ability to obtain easy recognition of prior learning (RPL). The Australia Qualifications Framework currently provides the framework for tertiary providers to use when assessing RPL, however improvement is needed. It is currently difficult to access RPL, as it is not an overly transparent process and the approach is inconsistent between providers.

In 2019, the AQF underwent a significant review in which a final report recommended, amongst some twenty other recommendations, a more detailed guidance on RPL in the AQF Pathways Policy³. This is due to the current AQF Qualifications Pathways Policy providing only limited guidance on credit recognition between some qualifications. The recommendations from the review have yet to be implemented resulting in students being unable to access improved RPL.

³ [Review of the Australian Qualifications Framework](#), 2019

Recommendation: Promote the National Microcredentials Framework across VET, Higher Education and industry, along with an awareness program of the benefits of microcredentials.

Recommendation: Ongoing funding for microcredential delivery and the MicroCredSeeker website.

Recommendation: Implement the recommendations from the 2019 AQF Review in relation to RPL.

Quality education

A key element of reviewing the higher education system is the need to place quality education and teaching at the forefront of any reform measures. Any changes should be based on evidence of graduate outcomes, and the extent to which the education system is meeting the needs of the labour market. In aiding the delivery of quality education to students it is important they are able to access information in relation to graduate outcomes for their selection of courses and institutions.

Delivery of quality education is important as it provides students with the knowledge and skills needed in their field of study. It provides students with the opportunity to advance career-wise with the opportunity to obtain jobs suited to their skill set. Employers want to see quality education delivered as it equips graduates with strong critical thinking, problem-solving, and communication skills.

Access to high-quality education is vital and technology plays a key component in the education experience. Digitalisation has revolutionised the way education is imparted. It is essential to train teaching staff, including casual staff, to effectively utilise technology to enhance the learning experience of students. To maintain high standards, we also need regulation of standards for teaching and learning, and regulation to ensure compliance. This is particularly important with the rise in Artificial Intelligence programs such as ChatGPT which can impact independent thinking and critical problem solving of both the teaching staff and student.

It is important that students not only receive guidance about courses and institutions, but also what their employment outcomes are likely to be. In 2022, 78.5 per cent of higher education graduates were in full-time employment after they graduated, this figure was at 68.7 per cent pre-COVID and masks huge disparities between courses⁴. Australia's critical labour shortage has helped provide additional job opportunities for students, however, over time these figures will potentially recorrect themselves. Students should be able to compare between higher education offerings, and compare alternative routes such as VET, where the employment outcomes sit above those of higher education. The Grattan Institute has found that students who undertake VET in construction, engineering and commerce will more likely achieve higher incomes than many low-ATAR university graduates⁵. It is information such as this that needs to be promoted to students.

Recommendation: Reforms should be linked to graduate outcomes and information on outcomes should be more detailed and readily available to students.

Recommendation: Quality teaching and student output, should be regulated to ensure artificial intelligence is not overly relied upon.

⁴ Quality Indicators for Learning and Teaching, [Graduate Outcomes Survey, 2022](#)

⁵ Grattan Institute, [Risks and rewards: when is vocational education a good alternative to higher education](#), 2019

Holistic approach to VET and Higher Education

A holistic approach to VET and higher education is essential for meeting the diverse needs of learners, creating pathways for lifelong learning and upskilling, and promoting equity and inclusion in education.

To meet the diverse needs of students and employers, it is essential to establish an integrated tertiary education system that leverages the strengths of both the skills training and higher education sectors. This would eliminate the current obstacles of navigating separate government funding and student loan programs, as well as different approaches to microcredentials, and enable seamless transitions between higher education and skills training.

To effectively support students and employers through an integrated system, the Australian Government must adopt a fresh outlook towards post-secondary education, abandoning the previous siloed approach. All policy decisions should be evaluated based on their impact on both higher education and skills training students, promoting lifelong learning and enabling individuals to access education and training throughout their careers. The Universities Accord should be renamed the Higher Education Accord, recognising the system within which higher education is offered in Australia, from universities to independent higher education providers.

While dual-sector universities and regional universities have achieved some success in linking the two systems and establishing formalised arrangements for credit, there is a need to overcome barriers to cross-system collaboration and promote successful linkages with VET across the higher education system. As previously mentioned, a better RPL system is critical to allowing recognition between both VET and higher education providers.

To address Australia's skills requirements, greater integration between higher education providers and VET is necessary. However, the current regulations and funding at both federal and state levels present a challenge for Australians to engage with both systems. To make it easier for students to transition between higher education providers and VET, greater alignment is required in terms of funding, regulation, and qualifications. The Commonwealth should encourage course design across different qualifications and skill sets to make the tertiary education sector more flexible and agile. Additionally, continual career advice and development should be provided to support this integration.

Recommendation: Improve the alignment between the higher education and VET systems by harmonising funding, regulation, and qualifications to enable smooth transition for students between the two sectors.

Recommendation: Rename the Universities Accord to the Higher Education Accord.

Improving participation & access

The Australian higher education system has had the goal of enhanced participation and access for a considerable time, and broad programs like the Demand Driven System and access-specific programs such as the Higher Education Participation and Partnerships Program (HEPPP) and the Indigenous Student Support Program (ISSP) have had significant impact.

Undoubtedly, the policy objectives of the aforementioned programs were, and continue to be, significant. From 2010 to 2016, the HEPPP funding totalled just over \$1 billion, resulting in an increase in the number of students from low socio-economic backgrounds in higher education from 168,417 to 178,944 (SA1)

during the same period. Similarly, the number of Indigenous students increased from 17,800 to 22,897. Although the HEPPP investment provided various benefits beyond student number growth, these figures highlight the considerable obstacles in enhancing participation and access.

The creation of the Country Universities Centres, which comprise 34 centres across all states and the Northern Territory, provides an opportunity for students in remote and regional areas to pursue higher education while remaining in their community. This concept of encouraging students from diverse backgrounds to study in their community, with assistance in their studies, and most importantly, supporting their choice of provider, course type, and tertiary sector is vital for advancing participation and access.

The tertiary perspective is vital in this context. In 2021, there were more than 1.5 million students from low socio-economic backgrounds in skills training; around 155,700 Indigenous Australians in skills training; and more than 1.24 million students in regional, rural and remote parts of Australia in skills training. While these numbers far eclipse those in higher education, two issues stand out.

In 2021, more than 25 per cent of students in skills training were from low socio-economic backgrounds and a similar proportion were in rural, regional and remote Australia. In 2020, less than 16 per cent of all higher education students were from low socio-economic backgrounds and around 20 per cent were originally from rural, regional and remote Australia (but not necessarily studying there). Also, while in the higher education system, every one of these students has access to an income contingent loan for the full amount of their degree program and the vast majority also have access to considerable course subsidies. The overwhelming majority of students from these backgrounds in skills are unsupported by government loans or subsidies.

For example, of these students in rural, regional and remote Australia in skills training in 2021, government data show that only 161,280, or fewer than 13 per cent, receive any government funding for their training. For those students from low socio-economic backgrounds, fewer than 38 per cent receive government funding for their training.

Such is the nature of government investment in tertiary education that policy preferences one sector over another and one provider type over another, often to the detriment of students with independent higher education providers. This is inevitably a loss for students, communities, employers, and the nation.

Improving access and participation for students from disadvantaged backgrounds requires a holistic approach that considers all higher education providers. To achieve this, various principles need to be adopted across different programs and governments. These principles include engaging with students, communities, providers, and employers. This engagement ensures that prospective students, their families, and support networks are involved, as well as employers. Additionally, educational design, delivery, and outcomes must be relevant, practical, and appropriate to cater to the needs of the participants.

Recommendation: Country Universities Centres concept be re-examined, re-branded and expanded to more fully embrace a tertiary learning and engagement environment across all student cohorts and provider types with a focus on students from disadvantaged backgrounds.

Recommendation: Investment in tertiary education, and in higher education specifically, be reconfigured and directed towards a genuinely student centric approach that adopts a focus on student choice in learning regardless of course type, location or provider type.

About ACCI

The Australian Chamber of Commerce and Industry represents hundreds of thousands of businesses in every state and territory and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people.

ACCI strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth and jobs.

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