

Review of Australian Higher Education

South Australian Government Submission



**Government
of South Australia**

August 2008

Review of Australian Higher Education

Executive Summary

Meeting labour market and industry needs

The South Australian Government supports national initiatives to identify and meet labour demands into the future. These include measures being driven through COAG and other Ministerial Councils and a range of collaborative activities between industry and higher education.

At the local level, a challenge will be to increase the demand for higher education from existing workers wishing to gain new skills, graduates from VET wanting higher level qualifications and those from families traditionally not accessing higher education.

To this end South Australia recommends;

- The establishment of a more demand-driven resource allocation model for the higher education sector through formal linkages between State, Commonwealth and universities when making decisions about places.
- Expanding the mandate of Skills Australia to align with the workforce planning systems in South Australia to support South Australian higher education providers make better decisions on the distribution of funded places to meet regional social and economic needs.
- Improved articulation between VET and higher education to improve high level vocational skills.
- Reinforcing industry, education and government alliances in different industry sectors to identify and deliver specific skill sets.
- Providing improved workforce advice to students in school and tertiary education and training and to use workforce intelligence in course planning within higher education providers.
- Developing graduate competencies as part of courses through integrated learning and improved work placements.

South Australia believes this will not erode the essential ‘academic mission’ of universities but rather enhance and complement academic objectives with professional vocational skilling which is better aligned to industry needs.

Opportunities to participate in higher education

To date, local efforts to increase Indigenous and low SES participation have had mixed results. Low SES participation has remained at about 15% for the past thirty years and has not been affected by changes to HECS levels.

Factors affecting participation include:

- Anecdotal evidence suggesting debt aversion by low SES students
- Indigenous students’ low completion rates of secondary school
- Access to and adequacy of income support payments

- Level of support services provided by higher education institutions
- Low aspiration by disadvantaged groups

South Australia supports the development of a national scheme with the following features:

- School-based mentoring programs to encourage able students to develop their academic skills
- Access to university by students while still in school through university access programs to accelerate learning for more able students and to break down cultural barriers
- First Generation programs (such as that recently announced by DECS) that assist young people who are the first in their family to access higher education
- Consistency in the allocation of bonus points for tertiary entrance against a nationally agreed set of criteria
- Improved articulation between VET and higher education
- Improved access to and provision of adequate levels of income support including accommodation scholarships for students from regional and remote locations.
- Institutional funding for reaching target levels of participation by low SES and Indigenous students.

The student experience of higher education

The State has an interest in maintaining the highest quality of teaching and research in higher education providers. To this end South Australia recommends:

- Benchmarking higher education qualifications with similar qualifications nationally and overseas
- A role for the new Australian Qualifications Framework Council (AQFC) to strengthen qualification standards and to improve consistent implementation of the AQF
- Supporting institutions continuously improving the quality of higher education teaching and providing support mechanisms for improved integration of all students into the institutional culture
- Improving and sustaining the academic workforce including consideration of industrial conditions
- Ensuring the application of robust quality assurance mechanisms supported by internal and external audit.

Connecting with other education and training sectors

South Australia supports a tertiary system that is responsive, flexible, inclusive and relevant while maintaining distinct missions for VET and higher education.

To assist the distinction it is recommended that AQFC consider identifying qualification titles as either within the higher education or VET sector.

Student movement between the sectors with credit for their previous study needs to be improved. A three pronged strategy is suggested:

- Genuine credit transfer and articulation should be considered as part of program development and be a requirement of VET and higher education accreditation processes. Cross pollination of ideas through both VET and higher education staff participating in course advisory panels would also assist.
- Underpinning knowledge could be made more overt by Training Package developers and applied knowledge competencies be embraced more widely to make knowledge components obvious and specified when these are required.
- Cross sectoral qualification linkage guidelines in the AQF should be promoted and expected as the benchmark for credit transfer agreements between VET and higher education with a requirement for higher education to report on this.

South Australia would be prepared to participate in examining the merits of an expanded Commonwealth HECS style scheme in VET as a means to encourage greater participation.

Higher education's role in the national innovation system

The Review's attention is drawn to the State Government's submission to the Review of the National Innovation System.

Operating internationally

South Australia sees great benefit in encouraging international students and has set ambitious targets in *South Australia's Strategic Plan* to increase our national share. The benefits include:

- Among the nation's top eight exports, education is the only sector that positions Australia as a 'clever country'.
- The value of international education to the SA economy was valued at around \$650 million in 2006/07.
- Since the 1950s, international students have greatly added to the cultural vibrancy of Australia.
- The industry also stimulates demand and provides major flow-on benefits for services such as accommodation, tourism, retail and telecommunication.
- Research shows strong support from the broader community for international education.

Australia's market share in higher education is likely to remain constant because:

- Much of the forecast growth in Australia's market share already has occurred;
- Australia is facing increasing competition, from both international provision and domestic provision;

- Australia's currency, specifically growth in the value of the Australian currency, is negatively impacting on demand for Australia;
- Changes to Australia's skilled migration program, introduced in September 2007, have introduced uncertainty; and
- Australia is facing shortages in the appetites and capacities of its higher education providers to meet demand.

Local issues can also affect demand:

- Bonus migration points
- Lack of embedded work experience
- Fee waiver for children of PhD and scholarship students
- Low levels of conversion from enquiry to application to commencement

South Australia recommends:

- Assisting Australian students to study overseas and making better connection with Australia's overseas alumni
- Introducing quality foreign universities to Australia (such as Carnegie Mellon) to work with our domestic institutions to increase our competitiveness in those areas of science, research and innovation where we already have, or are seeking to further our competitive advantage.

Higher education's contribution to Australia's economic, social and cultural capital

South Australia strongly endorses a role for higher education providers to engage with the broader community.

Not only are knowledge transfer and community engagement legitimate and appropriate roles for contemporary higher education institutions, it is imperative that such engagement be considered a community obligation of these institutions.

It is fundamental for each institution's ongoing growth, development, national and international standing for academic and disciplinary rigour be sustained and extended.

It is acknowledged that Higher education institutions vary in their application of knowledge transfer and community engagement. Some of the constraints might be size, location, budget, personnel skills, collective vision and community response.

South Australia recommends that:

- DEEWR instigate a project to identify best practice, promote exemplars, and provide financial incentives and/or supernumerary senior positions to promote and adapt such models.
- The higher education and the VET sector play a far greater role in raising public awareness of current issues (eg climate change, health management) through forums and debates in which a range of perspectives might be presented.
- Consideration is given to providing incentives to higher education institutions through a 'third-stream' funding formula for knowledge transfer similar to funding models introduced in the UK.

Resourcing the system

The current funding mechanisms for higher education are complex, inconsistent and do not encourage institutional difference.

It is appropriate that higher education utilises several different sources of funds. The increase in industry support and commercialisation of research is welcome as are current moves to increase philanthropy.

South Australia maintains that state funding should be to enhance teaching and research to meet local priorities and should not replace core funding responsibility from the Commonwealth.

Given the interest of State and Territory governments in ensuring high skills demands of industry are met, funding for research aligns with state priorities and a concern that compacts have the potential to lack transparency, the South Australian Government would wish to be involved in any compact negotiation between universities and the Commonwealth. South Australia sees the funding of higher education places as a resource for the South Australian community and wishes to be involved in the overall planning of their distribution.

South Australia is not advocating an open market for higher education. We believe it essential that as a community resource in the best national interest, government support should be available to all eligible Australian students to study higher education.

The submission looks at three funding models and concludes that finding a single funding formula that encourages increased participation, the pursuit of excellence in teaching and research, engagement with the broader Australian community (including industry) and delivers skilled graduates to the workforce and to continue research will not be easy.

A thorough examination of all the benefits and risks of any funding model needs to be undertaken before the Commonwealth introduces any major change. Funding policy has long-term outcomes and creates irreversible change with sometimes unintended consequences.

The fundamentals should be:

- Reduced cost to students so that they pay fees in public institutions no higher than those in the OECD average
- All higher education institutions must be subject to frequent and robust internal and external quality audits to ensure the quality of teaching and qualifications are of a high standard
- The broad spectrum of discipline knowledge is made available to the Australian community, allowing for institutional variation
- All eligible students are able to access a publicly subsidised higher education place especially in disciplines supplying qualified graduates to areas of workforce shortage.

For student fees South Australia recommends:

- An overall review of the Higher Education Loans Programme (HELP) alongside a comprehensive review of income support

- Australia should aim to bring student fees into line with comparable OECD countries to maintain the attractiveness of higher education and remain internationally competitive

Governance and regulation

Regulation

The South Australian Government supports the national approach taken by further education Ministers to establish and abide by the *National Protocols for Higher Education Approval Processes* to provide consistency in higher education regulation and quality assessment of all higher education providers.

The South Australian Government believes that local regulation enables the State to respond to local imperatives and therefore **does not support:**

- referring regulatory powers to the Commonwealth; or
- referring regulatory powers to a national accreditation body.

South Australia supports the exploration of options for an independent funding body (a 'buffer body').

Quality assurance

South Australia believes the following issues can be addressed through existing structures under the auspices of the Ministerial Council (MCEETYA):

- reducing duplication of assessment of awards leading to occupational licenses by formulating protocols collapsing processes of state accrediting bodies and occupational licensing bodies;
- reviewing and streamlining mutual recognition arrangements;
- national benchmarking activities and assessment moderation processes as required by the *Standards for Higher Education Regulation Authorities*;
- creating consistency among jurisdictions in approach to the issue of offshore and transnational delivery;
- harmonising compliance audits and quality audits.

South Australian Government Submission to the Review of Australian Higher Education

The South Australian Government welcomes the opportunity to contribute to the Review of Australian Higher Education.

This submission will concentrate on those matters raised by the Review Team in consultation with officers from the South Australian Government that are of particular importance to this state.

Higher education in modern Australia

While the broad functions and characteristics in the discussion paper are supported with minor additions, the Discussion Paper clearly presents the current context and challenges for higher education in Australia.

The South Australian Government believes it is time for a discussion between jurisdictions on the long-term structure of national tertiary education and training of which higher education is an important part.

This review rightly acknowledges that a discussion on higher education cannot be divorced from consideration of the vocational education and training sector (VET) especially in the delivery of high level skills to industry.

As detailed below, the South Australian Government supports the different roles and missions of VET and higher education but without national agreement on the funding and regulation of the two sectors, we will continue to apply policies that are driven by short-term imperatives that lead to fragmentation, inefficiencies, and inconsistencies. For students this will create an increasing complexity of costs and support mechanisms depending on the sector and type of institution in which they are studying.

South Australia does not hold the view that a single centrally managed regulation and funding system for all of tertiary education and training is the answer. In the longer term, a system that is nationally agreed but is guided by local knowledge and expertise is in the best interests of students and institutions.

The Functions describe the benefits of higher education to individuals, the economy and the social and cultural development of the broader community.

They also stress the importance of the development and application of new knowledge. This section could be enhanced by recognising that new knowledge is also created by stimulating collaboration and innovation in developing and using knowledge and technologies.

Particularly impressive is the recognition of the role higher education plays in developing and maintaining a civil and sustainable society. Higher education also increases the ability of the community to adapt to change, and in some cases, leads the change process.

The Functions acknowledge the role of higher education in providing high level skills and research relevant to industry and the national economy.

South Australia regards a function of higher education is international outreach through academic activity, research collaboration and cultural exchange. This strengthens relations with other countries, especially those within Australia's regional influence. Such a function should be funded, and not simply a consequence of activities arising from other functions.

The Characteristics address the issues raised in our preliminary submission to the Review. These are discussed more fully below.

Meeting labour market and industry needs

South Australia has an established workforce planning system inclusive of all occupations and skill levels. The new *Training and Skills Development Act 2008* provides a mandate for a newly formed Training and Skills Commission to make recommendations to the Minister on priorities and strategies to develop the State's workforce in response to the social and economic development of the State.

South Australia has developed *A Skills Strategy for South Australia's Future*¹, which will:

- Develop a 5 year skills and workforce development plan against which funding decisions will be made
- Introduce a more competitive funding market for VET; and
- Change the way the public provider (TAFE) delivers training.

A recently released report for the South Australian Economic Development Board² shows that projected total demand for qualifications at the bachelor degree or higher level over the next ten years is over 147,000 or about a third of total qualifications. On current graduation rates this will leave a shortfall of around 26,000 higher education graduates in South Australia over the decade.

Table 1: Projected Total Demand for Qualifications, SA, 2007/08 to 2017/18

<i>Qualification level</i>	
Bachelor degree or higher	147,100
Advanced Diploma	21,000
Diploma	39,100
Certificate IV	62,200
Certificate III	125,700
Certificate II	12,400
Certificate I	17,900
Total	425,400

Source: DFEEST estimates based on ABS *Survey of Education and Work* (Keating, p40)

While the State is building on current strategies to ensure labour market needs are met, these indicators show that demand for high skilled graduates will continue to grow. A challenge for a State like South Australia with an ageing population will be to increase the demand for higher education from existing workers wishing to gain new skills, graduates from VET wanting higher level qualifications and those from families traditionally not accessing higher education.

Deleted: aging

The South Australian Government needs the directive policy of the Commonwealth to support the State's higher education sector to be more responsive to current and future employment demand.

¹ *A Skills Strategy for South Australia's Future*, www.dfeest.sa.gov.au/skillsstrategy

² Keating, Michael, (June 2008) *Skills and Workforce Development in South Australia – the challenge for the next decade*, Final Report, Economic Development Board

To this end South Australia recommends the establishment of a more demand driven resource allocation model for the higher education sector through formal linkages between State, Commonwealth and universities when making decisions about places.

The Commonwealth Government has established *Skills Australia* to provide expert and independent advice in relation to Australia's workforce skills needs and workforce development needs (s4 *Skills Australia Act 2008*). The objects of the Act are inclusive of all education and training sectors.

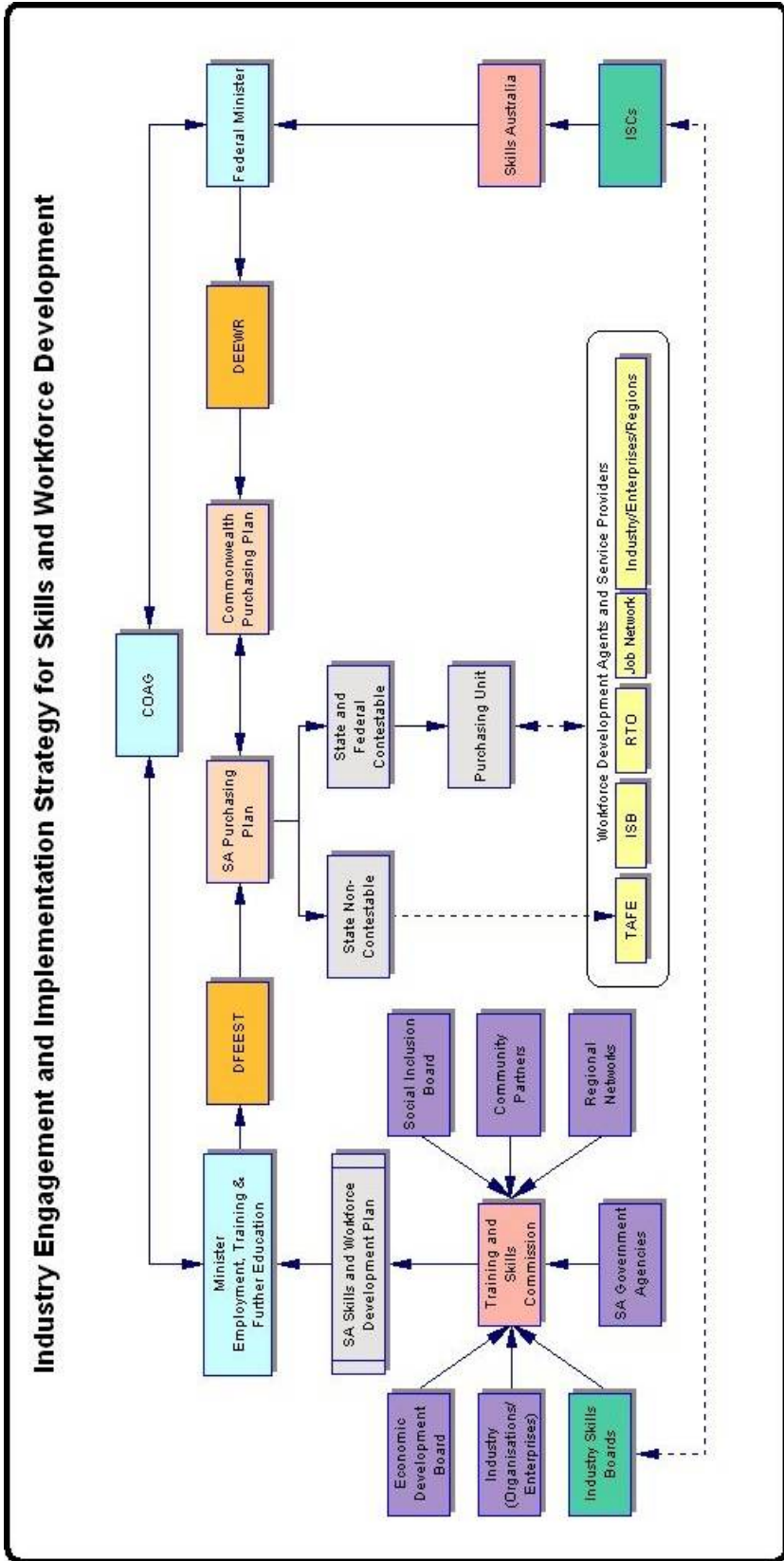
The South Australian Government's workforce planning system (as illustrated on the next page) creates a formal system for interaction with Skills Australia and the Commonwealth Minister on priorities for the development of the State's workforce. The system includes the Training and Skills Commission, (and potentially the Higher Education Council) and the Minister for Employment Training and Further Education. The workforce planning system is based on systematic industry and community engagement and advice.

The Commonwealth system has the potential to be strengthened if the Tertiary Education Ministerial Council is established which could create a Ministerial forum for Skills Australia and the development of mechanisms for connection between Commonwealth decisions affecting higher education places and regional economic and social development priorities. While there are clear advantages to better integration, the argument to maintain a discrete mission for each sector remains.

South Australia believes this will not erode the essential 'academic mission' of universities but rather enhance and complement academic with professional vocational skilling better aligned to industry needs.

Within the State there are several mechanisms to ensure better delivery of high level skills. Examples include:

- South Australia, through the Higher Education Council and the new Training and Skills Commission will develop a mechanism to provide the priorities and strategies to develop South Australia's workforce to assist higher education providers in their course planning. This will form part of the 5 year workforce development plan.
- The workforce development plan to be developed by the new Training and Skills Commission will involve institutions, industry and industry associations (ISBs) and government to ensure training plans and funding mechanisms are best targeted to meet current and emerging skills requirements.
- TAFE SA has in place memoranda of understanding with each of South Australia's universities to improve articulation of courses and credit for students moving between the sectors. The MOUs are supported by active steering groups that drive new initiatives.
- The defence sector has established a local group of government officials, the defence industry and research groups to identify mechanisms for delivering skills to the emerging defence industry in the State. Similar mechanisms exist in the health and resources sectors. The resources sector has set up an incorporated body called the Resources and Energy Skills Alliance (RESA) to help identify,



coordinate and pilot projects in the broad skills area. This is feeding back to the tertiary sector through targeted grants to address identified gaps in geoscience, mining engineering and geothermal energy.

- The Premier's Science and Research Council (PSRC) is working on a number of strategies to improve science and maths skills at all levels across the community, including a plan for more completions of school-based science, technology, engineering and mathematics (STEM) courses, resulting in more people with appropriate skills to increase university demand.

South Australia does not wish to see publicly subsidised higher education places being delivered in areas where there is an obvious over-supply in the market such that graduates have little chance of employment in the professions in which they are trained.

There is also a role for improved market advice to students in school making their choice of further study and to workers in industry considering upgrading their qualifications. Careers advisory services within institutions also have a role to work with the planning divisions on setting realistic targets.

As will be discussed later in this paper, improved articulation between VET and higher education is essential. Higher education needs to embrace training for competency especially in vocationally focussed professional education (eg. medicine, nursing, allied health, community services, science etc).

Further work needs to be undertaken to encourage students who may leave the higher education sector prior to completing a full qualification to convert to a VET qualification.

For example, at present undergraduates in nursing are unlikely to have suitable competencies to gain RPL for a VET Diploma before the third year of the degree. Graduates at diploma level can receive credit in undergraduate degrees which removes some specific assessment requirements but does not decrease the length of enrolment in the undergraduate degree. University credit arrangements for VET qualifications may be widely inconsistent between organisations

Removing barriers to increased training places is essential. Barriers in the health sector include those limiting clinical practice.

Community Services and SA Health would want to see the VET and higher education systems make it easier to have a number of 'community services' and 'health' careers over a lifetime by access to more flexible education – reducing the servicing and repetition of effort.

Graduate competencies

The Government recognises the role of higher education institutions goes beyond providing graduates with vocationally relevant skills. Increasingly, higher education institutions are looking at a range of graduate competencies which include the pursuit of knowledge and lifelong learning, contribution to the broader community and

citizenship skills. The University of South Australia³ and University College London⁴ both have good examples of graduate competencies and capabilities:

A graduate of the **University of South Australia**:

1. operates effectively with and upon a body of knowledge of sufficient depth to begin professional practice
2. is prepared for life-long learning in pursuit of personal development and excellence in professional practice
3. is an effective problem solver, capable of applying logical, critical, and creative thinking to a range of problems
4. can work both autonomously and collaboratively as a professional
5. is committed to ethical action and social responsibility as a professional and citizen
6. communicates effectively in professional practice and as a member of the community
7. demonstrates international perspectives as a professional and as a citizen.

Each of the qualities has a set of indicators which serve as a guide to their development.

Our aim is to establish the **University College London** education as an education for global citizenship: a process which aims to produce graduates who are:

- Critical and creative thinkers
- Ambitious – but also idealistic and committed to ethical behaviour
- Aware of the intellectual and social value of culture difference
- Entrepreneurs with the ability to innovate
- Willing to assume leadership roles: in the family, the community and the workplace
- Highly employable and ready to embrace professional mobility.

The Bologna process includes production of a diploma supplement that details the full range of graduate competencies from each institution. This is gradually being introduced into universities in Australia and will assist industry better recognise the skills and abilities of graduates.

Workplace learning – internships

While access to clinical placements continues to limit the number and speed with which professionals in the health industry can graduate, Universities Australia has proposed extending work placement to a variety of disciplines. These include:

- **Health** (*medicine, nursing, allied health etc*) – *University-arranged formal placements in hospitals and other clinical providers are an integral part of these degree programs.*
- **Law** – *Short-term internships with legal firms are common. Requirements are in place for Articles and Legal Workshops.*
- **Education** – *University-arranged classroom practicums and supervised projects (e.g. curriculum development) are standard.*
- **Politics** – *Short-term, university-arranged internships in State/Territory and Commonwealth political or parliamentary offices and government agencies have been established.*
- **Engineering** – *Student-arranged, unpaid work experience in related activities over the course of the degree program are encouraged and supported.*

³ www.unisanet.unisa.edu.au/gradquals/visitor/default.asp

⁴ www.ucl.ac.uk/global_citizenship/

- **Visual / Performing Arts** – Student-arranged work experience with relevant artistic companies, with mentorship a common focus, is widespread.
- **Public Relations / Marketing** – Student-arranged work experience with private companies is growing, where the student is treated in most respects as an employee. Some individual university oversight and facilitation is in place.
- **Science** – University-arranged cadetships and summer vacation paid work experience with suitable private companies or government departments and agencies is available in many universities.⁵

South Australia supports measures that will increase the work readiness of higher education graduates across all disciplines.

A good example is the considerable success South Australia has enjoyed in the electronics industry through the *(ei)*² program which has enabled small enterprises to engage and support students in school and university to increase the supply of graduates trained in electronics. The key programs provided by *(ei)*² include⁶:

- University Shared Courses
- Career Mentoring
- Assistance with Work Experience
- Internship
- Professional Development Courses
- Career Events

This model can be replicated in other areas and demonstrates that not only large businesses but very small enterprises can be engaged in the support and training of VET and higher education students.

⁵ Universities Australia, 2007, *A National Internship Scheme: Discussion Paper*, UA October 2007

⁶ <http://www.eiaa.asn.au/index.cfm/page/content/contentid/181/menuid/218>

Opportunities to participate in higher education

To date local efforts to increase Indigenous and low SES participation have had mixed results. Low SES participation has remained at about 15% for the past thirty years and has not been affected by changes to HECS levels.

Anecdotal evidence suggests that low SES students are deterred by incurring debt although there have been no national studies that support this assumption. It is strongly recommended that the Review initiates research on this matter. At the same time developing a more accurate measure of SES status would be beneficial especially if funding is dependent on the level of participation by low SES students.

South Australian research⁷ shows that price has little effect on subject choice for those who have decided to go to university.

Indigenous participation is dependent on strategies to improve high school retention and the provision of a range of support measures (including scholarships) for students once enrolled.

Participation from under-represented groups provides challenges for higher education providers including additional counselling and financial support, cultural support and in some cases additional tutoring.

A national approach could draw on successful strategies employed in local areas (such as UniSA's UNAP program or Flinders Inspire peer mentoring program) and provide incentive performance-based funding.

Alternative methods to tertiary entrance rank (TER) for students coming straight from school currently exist for a number of students entering universities in South Australia. For example UniSA's portfolio entry for up to 20 students from disadvantaged schools in the northern suburbs of Adelaide. In addition *UniPAL* entry to the University of South Australia and Flinders University is available for adult re-entry students enrolled in adult re-entry colleges.

Further to this, rationalisation and establishment of some commonality between the university equity entrance schemes, including adult re-entry is required. Each university has similar schemes (for example the University of Adelaide's *Fairways* scheme or Flinders University *equal access* scheme). These can confuse university applicants, particular those from disadvantaged backgrounds or from families with limited or no experience of accessing higher education.

South Australia's preliminary response to the Review raised the issue of low aspiration by disadvantaged groups as a contributing factor to their low participation⁸. This needs to be addressed as early as possible through the school system and there are many examples of successful mentoring programs run in conjunction with higher education institutions that could be included in a national program.

⁷ Mikilewicz, S, Nimon, S, and Murdoch, L (September 2006), *Student Choices and Unmet Demand, a research project exploring the decision making processes of higher education students and higher education's contribution to employment demands in South Australia*, unpublished report for the SA Department of Further Education, Employment, Science and Technology and the University of South Australia.

⁸ Universities Australia, *Participation and Equity in Higher Education*, www.universitiesaustralia.edu.au/content.asp?page=/publications/policy/equity/index.htm

DEEWR research into the nature, extent and effectiveness of intervention in schools prior to year 11 to improve the participation rate of disadvantaged students in higher education should inform a rationalisation, expansion and marketing of such schemes as well set up structures that improve support for disadvantaged students during their course of study and reduce dropout rates in this cohort.

Income support is essential to support Indigenous and low SES students and the current AUSTUDY and youth allowance are insufficient to encourage participation (see the 2005 Senate report in to student income support⁹).

South Australia has concerns that many students aged under 25 are unable to gain income support because of the eligibility criteria around assessment of dependence or independence in relation to parental income and assets. This is exacerbated for regional young people whose parents are often asset rich but cash poor. Consequently, the impacts are manifesting in young people being unable to afford to relocate to metropolitan or major regional centres to undertake higher education. There is also evidence that students from wealthy families are working during a 'gap year' to meet the independent criteria for Austudy. Eligibility for income support must be considered as part of this review.

Youth Allowance, Austudy and Abstudy payments are clearly below the Henderson poverty line¹⁰. The level of allowable income before income support payments are affected is set too low, and many students who work part-time to supplement their allowance have their allowance reduced. This presents serious problems for students trying to cover high living costs and the increasing cost of essential course materials.

Currently only Commonwealth Scholarships are exempt from assessable income in relation to Centrelink payments. Other scholarships, assessed as income, have affected the student's income support and in many cases if they are working part-time the scholarship will make them ineligible for income support. This can create a "catch-22" situation as many scholarships require the student to be on income support but the receipt of scholarship will make them ineligible for income support, thus making them ineligible for the scholarship. It is recommended that the Commonwealth removes the assessable income component for all scholarships and bursaries regardless of their funding sources for both income support and taxation purposes.

South Australia has concerns about a report in the Australian¹¹ that the review is considering extending the HECS-HELP scheme to cover student living expenses while studying. This would further compound the impact of debt for disadvantaged students. Before student debt is considered as a policy solution for inadequate public investment in higher education, the wider social and economic impact of this debt should be researched and monitored.

As discussed in South Australia's preliminary response to the Review, low income students are more likely to engage in part-time work which provides added stress to their participation. Research has shown¹² that up to 10 hours of work per week has a

⁹ Senate Employment, workplace Relations and Education Committee, (2005) *Inquiry into Student Income Support*, Commonwealth of Australia, Canberra

¹⁰ Update quarterly by Melbourne Institute of Applied Economic and Social Research, University of Melbourne

¹¹ Trounson, A, 2008, *Expense loan as opposed to debt burden*, in *The Australian*, 16/7/08

¹² Applegate, C and Daly, A, 2005, *The Impact of Paid Work on the Academic Performance of Students: A Case Study from the University of Canberra*, The Centre for Labour Market Research, CLMR Discussion Paper Series 05/1

positive effect on student performance, presumably by introducing a level of discipline and time management. Increasing the number of hours of employment however reduces student performance, and employment of over 20 hours a week seriously compromises study. Income support arrangements should assist students reduce excessive hours of employment to enable them to concentrate on study.

Financial support models are based on historic assumptions of the age, demography and social support structures of students. Some assumptions may be outdated or not applicable in specific areas.

For example, nursing undergraduate cohorts can have significant percentages of adult entry students with family responsibilities (children and/or aged relatives) added to study requirements. Courses which include work/clinical practice learning components create financial pressures related to transport to multiple locations, accommodation and family support and loss of income from usual employment.

South Australia supports the development of a national scheme with the following features:

- School-based mentoring programs to encourage able students to develop their academic skills
- Access to university by students while still in school through university access programs to accelerate learning for more able students and to break down cultural barriers
- First Generation programs (such as that recently announced by DECS) that assist young people who are the first in their family to access higher education
- Consistency in the allocation of bonus points for tertiary entrance against a nationally agreed set of criteria
- Improved articulation between VET and higher education including enhancement of the Queensland 'dual offer' scheme whereby a student gaining acceptance to a VET diploma or advanced diploma course that articulates with a degree program gains automatic acceptance into the degree on completion of their VET award.
- Adequate levels of income support including accommodation scholarships for students from regional and remote locations.
- The scheme would require better data collection on SES status than currently exists in order to measure performance of individual institutions.
- The Commonwealth would need to set target levels of participation by low SES and Indigenous students and determine a funding formula that recognised the additional cost of providing support to these students
- Through the compact negotiations higher education providers could be rewarded financially for meeting agreed targets for enrolment and retention of Indigenous and low SES students.

While a national scheme is supported and it is appropriate that intervention strategies continue to be developed and implemented at the local regional level, with a view to broadening their application to the national level where these are deemed to be appropriate or successful.

The student experience in higher education

The State has an interest in maintaining the highest quality of teaching and research in higher education providers.

To this end benchmarking Australian qualifications against international standards is a dual responsibility of individual institutions and government review through bodies such as the Australian Universities Quality Agency (AUQA) and State and Territory accreditation agencies (see also Governance and Regulation section).

The new Australian Qualifications Framework Council (AQFC)¹³ will also play a role in better managing standards of qualifications with which all higher education providers must comply under the revised *National Protocols for Higher Education Approval Processes*. South Australia supports auditing providers against their application of the Protocols. It is envisaged that this will lead to a more rigorous use by universities of AQF criteria for assessing the appropriateness of proposed qualifications and as an external reference point for demonstrating evidence of achievement e.g. course approvals, credit transfer, etc.

Improving the quality of university teaching is paramount especially if we are to reduce attrition rates and deliver graduates with globally relevant skills and knowledge. Funding constraints have resulted in rising class sizes and academic teaching workload. Education providers are employing more casual academic staff to meet increased demands with a consequential effect on the academy. Research and scholarship which underpins academic knowledge must not suffer as a consequence of increased workload or the increase in casual appointments.

In a recent speech, Barbara Ischinger, Director, OECD Education directorate said:

*So far as teaching in higher education is concerned, a measure of student competencies would probably be the most credible tool, rather as the OECD has done with PISA in secondary education. However, this would be expensive and difficult to carry out. Even if such a measure were made available, it would have to be supplemented by ways of determining whether better results reflected the quality of teaching or, say, a more advantaged student intake. After all, do some US colleges shine because of their teaching or because they only admit high-calibre students in the first place? Do some old-fashioned European universities suffer because they take on too many students?*¹⁴

This is a warning against using ‘league tables’ to measure performance. The problems with the implementation of the Learning and Teaching Performance Fund illustrate the dangers of using imperfect metrics to discriminate between providers to distribute incentive payments. We need to know what we are measuring and the context within which we are measuring it.

¹³ The newly established Australian Qualifications Framework Council (AQFC) will strengthen the AQF to ensure that it continues to be nationally and internationally robust, support cross-sectoral links and pathways for students and improve national consistency and relevance. The AQFC replaces the former AQF Advisory Board

¹⁴ Ischinger, B, 2006, *Higher Education for a Changing World*, (speech) OECD Observer No.255, May 2006

There is ample data on what characteristics are most likely to lead to success in higher education. If providers were funded on the basis of completion rates alone then part-time, low-income, Indigenous, rural and remote students and students with dependents, long hours of employment and from single-parent families would have considerable trouble gaining admission.

Attention is being given in some providers to introduce a more general first year program to reduce the 'churn' of students who undertake the first year of multiple degrees before they find a program that suits them. South Australia supports measures to better integrate students into university culture as a means of assisting their ongoing success.

Funding, regulatory and quality assurance processes need to recognise the different paths and challenges for students in attaining qualifications. The qualifications themselves should be an objective measure of student achievement.

Australia has an ageing academic workforce in common with universities worldwide. If we are to attract and retain younger high quality academics then industrial conditions in higher education institutions need to be competitive with those in other fields. If not we risk losing some of our most able academics to universities in other countries or to other occupations that provide better conditions. We must value the important role of all academic staff and support their ongoing skills development.

Much media attention has been given to the impact of overseas students on the quality of university qualifications. Allegations of 'soft' marking' or students without English competence graduating from higher education are common. The overseas student market is dependent on students believing they are receiving a quality education at any Australian higher education provider and the maintenance of high standards is paramount to the sustainability of the market. Employers in Australia must also have confidence that graduates have properly attained their qualifications. Quality assurance mechanisms need to be robust and continually assessed both internally and externally to ensure that the integrity of the system is maintained (see also section on Governance and Regulation).

South Australia therefore recommends:

- Benchmarking higher education qualifications with similar qualifications nationally and overseas
- A role for the new Australian Qualifications Framework Council (AQFC) to strengthen qualification standards and to improve consistent implementation of the AQF
- Supporting institutions continuously improving the quality of higher education teaching and providing support mechanisms for improved integration of all students into the institutional culture
- Improving and sustaining the academic workforce including consideration of industrial conditions
- Ensuring the application of robust quality assurance mechanisms supported by internal and external audit.

Connecting with the other education and training sectors

The South Australian Government has long argued that while it is important to ensure that the movement of students between VET and higher education is unimpeded by unnecessary barriers, each sector has a distinct mission which needs to be recognised and respected.

In the South Australian preliminary response to the higher education review, the Minister for Employment, Training and Further Education wrote: *Considerable work over the past 20 years has developed a vocational education and training system which is competency-based, industry relevant and internationally recognised. At the same time higher education institutions have become more industry focused especially in the professions. The challenge will be to build a seamless system for the movement of student without compromising the fundamental purpose of each sector.*

The Review has acknowledged the broad purpose of higher education and that high level skills acquisition is only one of its many features. It is possible to increase the vocational relevance of higher education (eg. better links to industry, work placement for students) without transgressing on its other functions (eg. research and research training, pursuit of knowledge, contribution to the development of a civil society).

The State therefore supports a tertiary system that is responsive, flexible, inclusive and relevant while maintaining distinct missions for VET and higher education.

A number of differences exist in the sectors including: funding, regulation, access, curriculum development, level of research activity – all of which are products of the different purpose of each sector. In themselves these functions do not create the different sectors.

It would be possible to alter the funding and regulatory systems for VET and higher education without necessarily transgressing on their missions.

VET and higher education missions

The mission for VET at present reflects a responsive, competency based and industry driven sector. Nationally recognised and transferable units of competency are the currency of the sector and the building blocks of qualifications from Certificate I to Vocational Graduate Diplomas. Outcomes are vocationally orientated with an emphasis on building employability skills.

It is acknowledged that the contemporary environment is showing a convergence of the currently understood missions of VET and higher education as higher education pursues increased experiential learning and investigates internships and graduate qualities akin to employability skills and TAFE moves towards delivering higher level VET sector qualifications requiring a higher level of cognition. Higher education has always had a vocational role preparing graduates for employment in the professions and this is set to expand to other areas of learning if opportunities such as the Universities Australia internships proposal are broadly adopted.

Describing Qualifications

The Australian Qualifications Framework (AQF) provides level descriptors for qualifications from Certificate I to doctoral degrees. These are listed in the sectors in which they are usually delivered although there is considerable blurring at the AQF levels 5 and 6 in particular. It is noted that the OECD defines 'tertiary education' rather than higher education and includes in the definition 'tertiary-type B education' which aligns with AQF5/6 including diplomas and advanced diplomas.

If we accept that the AQF is a continuum of qualifications then a number of inconsistencies arise in the way they are delivered, funded and regulated.

Currently Advanced Diploma and Diploma qualifications fall within both the VET and higher education sector accreditation and registration processes according to the AQF. It is therefore not clear, by considering its title, whether the qualification is vocationally linked and competency based or a higher education award. The emergence of the new Graduate Certificates and Graduate Diploma in VET complicate the cross over issue further.

To assist the distinction it is recommended that AQFC consider identifying qualification titles as either within the higher education or VET sector. This would not preclude institutions from either sector offering the qualifications but would provide a consistent set of standards for accreditation, registration and Quality Assurance. It is suggested that Diploma and Advanced Diploma remain as VET sector AQF 5 and 6 level qualifications as the Associate Degree also sits at AQF 6 in higher education and the Diploma seems to be used in higher education mainly to accredit the first year of a degree as a pathway qualification.

Cross sectoral linkages

It needs to be recognised that while VET and higher education represent different cultural positions and different missions, this should not preclude the development of valuable pathways for students between the sectors.

Various models of credit transfer and articulation are in place nationally. It is easier to develop full recognition pathways when both qualifications are in the higher education sector. For example, the 2+ 2 model of an associate degree at TAFE articulating into 2 years at university to be awarded with a 4 year degree and the 1+2 model of 1 year at an Institute of Business Technology articulating into 2 years at university to be awarded with a 3 year degree –a model which is utilised for the international market. Pursuing such models, however, may be construed as making VET a feeder to higher education rather than pursuing a legitimate independent mission.

Articulated qualifications offering guaranteed pathways into higher education from a VET sector enrolment and successful completion of study such as the Queensland dual offer system are a better option as both a VET and higher education outcome is achieved by the student. Commitment from both VET and higher education providers is needed to address and ease areas of difficulty in developing specific collaborative agreements.

Student movement between the sectors with credit for their previous study needs to be improved. A three pronged strategy is suggested:

- Genuine credit transfer and articulation should be considered as part of program development and be a requirement of VET and higher education accreditation processes. Cross pollination of ideas through both VET and higher education staff participating in course advisory panels would also assist.
- Underpinning knowledge could be made more overt by Training Package developers and applied knowledge competencies be embraced more widely to make knowledge components obvious and specified when these are required
- Cross sectoral qualification linkage guidelines in the AQF should be promoted and expected as the benchmark for credit transfer agreements between VET and higher education with a requirement for higher education to report on this.

South Australia, however, does not preclude a comprehensive debate that establishes a robust framework, which might enable the articulation of a new construct of the tertiary sector. This would obviously require a redefinition of the sector and involve rigorous consideration of funding models and policy formulation processes and responsibilities.

The focus of the International market seems to be higher education with degree level qualifications being understood and valued in countries of origin. The opportunity for VET is mainly through the packaging of qualifications with higher education providers for the international market rather than competing directly with higher education providers in the same market.

Planning relative provision between the sectors and effects of funding and governance differences

The South Australian Skills and Workforce Development Plan will outline what the State should invest in and why; the SA Strategic Purchasing Plan will specify how the State will purchase VET delivery to meet the identified demand. While this information can inform planning, supply will also need to be considered. Prospective students/workforce participants keep an eye on opportunities but interest still plays a large part in selecting career and qualifications.

To ensure a connection between funded demand and supply, areas of skills and workforce priority will need to be marketed to prospective students/workforce participants.

VET's increasingly contestable funding source creates greater competition on price between providers – care should be exercised that quality is not compromised as a result. There is an apparent inconsistency for the government to be supporting greater competition and contestability in the VET sector while advocating a centrally planned higher education sector. Further, in an environment where increased strategic and operational collaboration will result in better planning and efficiencies, contestability creates a new set of barriers. This is addressed in the financing section below.

South Australia would be prepared to participate in examining the merits of an expanded Commonwealth HECS style scheme in VET as a means to encourage greater participation but any such scheme should not impact on the ability of VET to deliver its mission. There is a danger that such a scheme could provide an opportunity to shift a greater proportion of the cost of training onto students (as has happened in the higher education sector) and safeguards should be built in to ensure

student contributions are not dramatically increased. There is anecdotal evidence that at present students may choose to study in a particular sector based on their ability to defer payment.

Higher education's role in the national research and innovation system

State governments have an active interest in ensuring that higher education institutions remain a driver for innovation.

The Review's attention is drawn to the State Government's submission to the Review of the National Innovation System.

Refer to: <http://www.innovation.gov.au/innovationreview/Pages/SubmissionstotheReviewO-Z.aspx>

Submission numbers 566, 575 and 669 (under 'S').

Operating internationally

[Education Adelaide has provided the following information from their Business Plan]

International education is Australia's fourth largest export industry, contributing \$11.3 billion to the Australian economy in 2006/07. In South Australia, education is also the fourth largest export, currently contributing \$648 million to the state's economy.

Australia is now third in the world as a global study destination, behind only the US and the UK. In the past, Australia's international education industry has been buoyed by the pursuit of high quality education, particularly among Asian students. More recently, however, the nation's skilled migration program has become a significant driver for many students.

Among the nation's top eight exports, education is the only sector that positions Australia as a 'clever country'. It is also the only export with the capacity to fuel trade and tourism and address national issues of importance such as skills shortages and population growth. It is also widely acknowledged that international education plays a vital role in positioning Australia in the Asia Pacific region.

Since the 1950s, international students have greatly added to the cultural vibrancy of Australia. In more recent times, they have helped to revitalise the central business district of nearly every Australian city.

The economic contribution of international students is not confined to the state's education institutions. The industry also stimulates demand and provides major flow-on benefits for services such as accommodation, tourism, retail and telecommunication.

Tourism Australia figures show that education visitors (the friends and families of international students) comprise around 7% of total international visitors to Australia, but contribute the highest average trip expenditure at \$12,714 (compared to average visitor trip expenditure of \$2,901). In 2006, education visitors were worth around \$5.3 billion to the tourism industry. International students are therefore an important driver of the Australian tourism industry.

Education Adelaide

South Australia's peak body for international education is Education Adelaide, established by the State Government in 1998 to develop and expand South Australia's share of the national education export market. The agency is co-funded by the State government, the State's public universities, the Adelaide City Council and 37 additional members (including Carnegie Mellon University).

Education Adelaide works in conjunction with various partners to market Adelaide as a study destination in key countries around the world.

Community support

Since its establishment, Education Adelaide has worked with institutions to engender local community support for the industry and international students. This requires a

dual focus: informing the community through local media coverage and fostering interaction between students and locals.

To date, the community education program has been overwhelmingly successful. The vast majority of South Australia's residents understand the social, cultural and economic benefits of hosting international students, and as such the community is largely supportive of the industry.

Synovate's 2007 research revealed the following perceived benefits: 'learning about their culture' (48 per cent); 'they spend money here and help the local economy' (46 per cent); and 'their presence promotes multiculturalism' (40 per cent). Fewer than 5 per cent of residents could see no benefit in hosting international students.

The student activities program – designed to ensure that students feel valued during their stay and to encourage them to become strong ambassadors for the State – is also growing in strength. In 2006-07, about 3,500 students attended events organised or promoted by Education Adelaide, a 65 per cent rise on the previous year. Unique to Australia, the activities program involves a year-long calendar of free social events, competitions and information sessions for all international students.

South Australia's education institutions also lead the nation in the delivery of support services to students. The *Education Services for Overseas Students Act 2000* (ESOS Act) requires all institutions providing education to international students to adopt nationally consistent standards of education delivery, facilities and services. All institutions registered under this national system must abide by a National Code, which is consistent across Australia and legally enforceable. A range of counselling services is in place at every campus in South Australia to ensure that students have access to information on orientation, academic progress, further study, accommodation and dispute resolution processes.

In 2006, The University of Adelaide's 'peer mentor program'¹⁵ was voted by international students as the best student support program in Australia. The university's peer mentors are a mix of continuing Australian and international students who volunteer their time to help new students settle in, and offer a student's perspective on what it's like to live and study in Adelaide.

There is no doubt that community support is currently a major strength for South Australia's international education industry, with research showing that the majority of students feel welcome in Adelaide.

Future Demand

In its major report *Global Student Mobility: An Australian Perspective Five Years On*, IDP forecasts that international demand for Australia's higher education providers will grow 4.25% annually until 2010, before slowing to 3% annually until 2015. Based on these forecasts, there will be 201,000 international students in Australia's higher education providers by 2010 and 233,000 by 2015. The report assumes that Australia's market share in higher education will remain constant, and there are a number of reasons for this:

- Much of the forecast growth in Australia's market share already has occurred;

¹⁵ www.international.adelaide.edu.au/living/orientation/peer

- Australia is facing increasing competition, from both international provision and domestic provision;
- Australia's currency, specifically growth in the value of the Australian currency, is negatively impacting on demand for Australia;
- Changes to Australia's skilled migration program, introduced in September 2007, have introduced uncertainty; and
- Australia is facing shortages in the appetites and capacities of its higher education providers to meet demand.

Additionally, research by Education Adelaide shows local issues can also affect demand:

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- *Bonus migration points* – Research shows there are strong links between international education and skilled migration, with a growing proportion of former overseas students taking out Australian Permanent Residency (PR) and General Skilled Migration. According to Department of Immigration and Citizenship statistics, the number of permanent visas granted onshore to former overseas students who graduated in Australia is increasingly annually, reaching 17,896 in 2005-06. This represented 41.3% of the 43,363 permanent skilled visas granted to onshore applicants in Australia in 2005-06. A large number of former overseas students also apply for skilled migration through other provisional visa types. Changing the weightings of components to construct the necessary 120 migration points in 2007 has rendered irrelevant the bonus 5 points for studying in a regional area (such as South Australia). The South Australian Government recommends that the regional bonus be increased to 10 points to maintain its attractiveness to potential graduate migrants.
- *Lack of embedded work experience* – South Australian education providers have reported widespread concerns about the lack of work experience opportunities for international students especially in the health and to a lesser extent, education industries. While this relates in part to a more general concern about work and clinical placements there is no doubt that international students find it harder than domestic students to find work placements.
- *Fee waiver for children of PhD and scholarship students* – Some states offer a full waiver of school fees for dependent children of higher degree students. The cost of the waiver is between \$8-10,000/child/annum. Since this is a growing market and it is in the national interest to have higher degree research students bolster the quality of Australian research, the Commonwealth could look to sharing this cost with State and Territory governments for those children attending public schools.
- *Low levels of conversion from enquiry to application to commencement* – It is believed that Australian higher education providers currently convert only a quarter of applications into enrolments. Although every effort must be made to ensure that ethical marketing methods are maintained and therefore Australia's reputation for quality is retained, greater efficiencies are needed to curb marketing costs and improve application access for students. There is also a need to reduce processing costs, improve speed of response and provide more scrutiny in selecting agents.

Assisting Australian students to study overseas

As a small country, Australia can benefit from introducing flexible schemes that encourage Australian researchers, policy-makers and innovators to engage

internationally with world-leading experts in their field. There are some limited schemes for doing this already within the research arena (e.g. EU framework grants and ARC Linkage International). There should be greater scope for programs such as research/industry commercialisation programs and CRCs to allow a greater portion of eligible expenditure, not just on research, to occur overseas; schemes that exclusively generate benefit to Australia can lead to an insular mindset. We support measures to give Australian students the opportunity to study overseas and believe this should be given further encouragement.

We need to make better use of overseas graduates by building Australia's 'international alumni' as national ambassadors in both academe (through international scholarships/fellowships) and business supporting Australian business connections. This can be helped by developing measures to build relationships with individuals overseas (eg. maintaining contact with expatriate Australians to encourage them to share knowledge and outcomes), and more formal mechanisms to repatriate international workers (eg. through a 'mobility portal' similar to that operated by the European Union).

University City

Established in 2006, University City sets out the Government of South Australia's vision for Adelaide to become a leading international centre for higher education. University City aims to deliver partnerships with foreign universities that will bring expertise in teaching and research to South Australia and to foster collaboration between South Australia's universities and targeted world-class foreign universities in key current and emerging areas. It has already attracted three foreign universities to Adelaide.

A key strategic strength of the University City Project is the targeted choice of universities, and the courses that they will offer in order to specifically meet sectoral and geographic demand (ie servicing key industries and sectors within South Australia, Australia and the Asia Pacific region). In doing so, over time it is anticipated that the graduate pool from these locally based foreign universities will increase our competitiveness in those areas of science, research and innovation where we already have, or are seeking to further our competitive advantage.

Carnegie Mellon University opened its campus in Adelaide in May 2006 with two schools; the H John Heinz III School of Public Policy & Management and the Entertainment Technology Centre. The Heinz School will deliver Carnegie Mellon's top ranked Master of Science and Information Technology as well as the Master of Science in Public Policy and Management with more courses to come.

In October 2007, the world-renowned Cranfield University announced a centre in Adelaide to offer postgraduate defence and security studies and research to defence organisations and industry professionals.

On 30 May 2008 it was announced that the top ranked University College London (UCL), a world-leading British institution, will deliver a post graduate Masters of Science in Energy and Resource Management, as well as offer places to a small number of doctoral students. It is also expected the UCL will establish a dedicated research program to support an internationally-recognised energy policy and research institute.

Contributing effectively to the development of Australia's social and cultural structures and its national and regional economies

The Australian Vice-Chancellors' Committee's position (2006) expressed strong support for engagement between universities and the community. This view is strongly endorsed:

The Australian Vice-Chancellors' Committee firmly believes that Australian universities, the industry and community partners in a knowledge transfer relationship and the Australian economy as a whole would benefit from continued and strengthened efforts to strengthen university-linkages, networks and relationships¹⁶.

It behoves higher education providers to engage the communities in which they operate if only to respect that they are of *that* community and to some degree accountable to it. In more pragmatic terms universities and other higher education providers have a role in initiating the sharing, transfer or adaptation of knowledge in industry, especially where small and medium-sized enterprises are concerned. Useful principles may be drawn from the UK Lambert Review¹⁷. While Innovative Research Universities Australia has considered this matter from a potential funding perspective, the underlying issue in this principle is that all higher education institutions have an ongoing role in community capacity building and in engaging and stimulating current and would-be learners and researchers. The flow on effect in maintaining creative communities, well-versed workforces and a dynamic commercial economy is immeasurable.

Definition of knowledge transfer and community engagement in an Australian context

A definition of knowledge transfer and community engagement is the sharing of information and/or technology for the benefit of the community in the widest sense in the first instance; providing potential commercial economic endeavour to/with relevant parties (industry, government and community); creating through traditional and short term applied courses a flexible and engaged workforce; and through these contributing to a dynamic and competitive global knowledge economy.

Knowledge transfer and community engagement as legitimate and appropriate roles for contemporary higher education institutions

Not only are knowledge transfer and community engagement legitimate and appropriate roles for contemporary higher education institutions, it is imperative that such engagement be considered a community obligation of these institutions.

Higher education institutions hold as their core business, according to their particular missions, teaching, learning and research. Institutions' pre-eminent form of knowledge transfer is through the graduates they produce.

¹⁶ AVCC 2006 *Statement on Knowledge Transfer*, AVCC October 2006

¹⁷ Lambert, R, 2003, *Lambert Review of Business-University Collaboration: Final Report*, HM Treasury, December 2003

Higher education institutions must be cognisant of, and committed to, the communities in which they operate. It is fundamental for each institution's ongoing growth, development, national and international standing for academic and disciplinary rigour be sustained and extended.

For example, the University of South Australia has community engagement as part of its objects and is able to sustain teaching, learning and research (traditional roles of universities) while extending community scholarships for disadvantaged, especially Indigenous youth; providing personal vision and creating options for engagement for individuals whose families have no previous experience of universities; and brokering valuable industry, school, university, community and government partnerships.

The Association of Universities and Colleges of Canada¹⁸ and the Lambert Report UK identify other dynamic and productive strategies which benefit immediate and regional communities.

Higher education institutions vary in their application of knowledge transfer and community engagement. Some of the constraints might be size, location, budget, personnel skills, collective vision and community response. The principles of community capacity building provide opportunities for visionary strategic engagement without detrimental expense. The *National Protocols for Higher Education Approval Processes* require Australian universities to engage with their communities although this requirement is not legally enforceable for other higher education providers.

DEEWR could instigate a project to identify best practice, promote exemplars, and provide financial incentives and/or supernumerary senior positions to promote and adapt such models.

Knowledge transfer for commercial end and community benefit

While Australia's higher education R&D expenditure as a ratio to GDP compares favourably with OECD averages, the sector's performance in knowledge transfer and commercialisation compares less favourably.

However, focusing just on the profitable exploitation of intellectual property through licensing, options and assignments (LOAs) ignores the significant knowledge transfer opportunities that occur through interaction and engagement between research and the users/beneficiaries of knowledge.

Generally the role of knowledge transfer (meaning the *application of new* knowledge rather than the production of knowledge) does not come naturally to researchers within traditional research paradigms. The commercialisation success of intermediary organisations (e.g. commercial arms of universities) has been mixed and remains more narrowly focused on extracting greater profits from LOAs rather than transferring knowledge that has broader public outcomes for the 'public good' e.g. through briefings and seminars or education and training that leads to changed/improved practices across a sector. In this domain the VET sector has a vital role by engaging with research organisations and provide services to transfer and

¹⁸ Association of Universities and Colleges of Canada (AUCC), 2005, *Momentum: The 2005 report on university research and knowledge transfer*, Ottawa.

disseminate knowledge to industry and end-users through training and upskilling programs. Similarly, the primary industries sector also provides a useful model for knowledge transfer through its 'extension' services from research.

There are useful examples around Australia of VET providers working with research organisations (examples include co-operative research centres) in the dissemination of research findings through skills and training. Discussions about a third-stream funding model should consider 'building-in' an allowance for technology/knowledge transfer via training and upskilling mechanisms, particularly if this engages the immediate community in which the higher education provider is located.

In relation to community engagement, given the poor credibility given by the public to political comment and government advertising, the higher education and the VET sector could play a far greater role in raising public awareness of current issues (eg climate change, health management) through forums and debates in which a range of perspectives might be presented. Assuming a more informed community is better placed to make decisions and choices, this could represent an important contribution to the nation. The establishment of Ri Australia and Science Media Centre are recent examples of this changing role.

Funding knowledge transfer and community engagement

To date knowledge transfer has found auspices and champions when commercial or market potential has been identified, especially when industry or government co-sponsors or partners have been identified and co-opted. On the other hand, community engagement endeavours have most often been self-funded by cross-subsidy within institutions. While this is commendable, this is not sustainable, fair or equitable.

Consideration should be given to providing incentives to higher education institutions through a 'third-stream' funding formula for knowledge transfer similar to funding models introduced in the UK.

Ideally, proposed university funding compacts, although not defined to date, provide a potential source of funding. For example: institutions could be funded with a loading reflective of disadvantaged socio-economic groups, including Indigenous and others known through ABS or similar data to have had little or no university participation. On a sliding scale similar to the SEIFA Index of Disadvantage¹⁹ 'top-up' funding would accommodate the socially inclusive strategies applied in such environments.

A separate pool of defined/applied community engagement funds would have the benefit of highlighting and promotion socially inclusive initiatives. Regional initiative should have overt, specific funding and supportive policy from Departments such as DOTARS or similar. COAG workforce development initiatives are focussing on the health industry, for example: strategies, research and knowledge funding to engage a flexible, responsive workforce should be met with supportive funds (whether redirected through COAG sub-committees; jurisdictional priority setting or competitive higher education institution bidding).

¹⁹ SEIFA Index of Disadvantage:

<http://abs.gov.au/Websitedbs/D3110129.NSF/99906a65c37e95054a2564d70016b8ee/37f054d5e6854183ca25720a002494ff!OpenDocument>

Resourcing the system

There are several commentaries, including those of Universities Australia that document the relative levels of government support having declined over the past 30 years and demonstrate Australia's worsening position in relation to that of other OECD countries.

Suffice to say the current funding mechanisms for higher education are complex, inconsistent and do not do not encourage institutional difference. The decline in Commonwealth funding has pushed institutions into seeking other sources of funds including international student fees, full-fees for domestic students, increased fees for domestic students, commercialisation of research and commercial activity, philanthropy and investments. While some of these have had a positive impact on the institution, reliance on vulnerable sources (such as investments or international students) could have a devastating affect if a market collapsed.

The *Discussion Paper* states:

In order to develop and sustain these capacities, Australia's higher education system needs to be appropriately, effectively and efficiently resourced to perform its functions (p3).

Clearly then the sufficiency of resources available to the sector is of interest to the Review as well as the model of funding.

It is appropriate that higher education utilises several different sources of funds. The increase in industry support and commercialisation of research is welcome as are current moves to increase philanthropy.

Funding compact

The Commonwealth is proposing a new 'compact' negotiated with individual institutions that could provide funds against targets in their overall mission and give institutions the flexibility to allocate resources as they see fit to meet these targets.

While no model for compacts has been proposed, Universities Australia released a draft paper for comment early in 2008. The Universities Australia paper argues: *With regard to the education function, three main options are available: (a) tweak the current settings to reduce anomalies and irritations but stay essentially with a centrally steered, supply-side policy paradigm; or (b) move to a more market-based, demand-side paradigm with an overhaul of regulatory and financing arrangements; or (c) continue the process of transition, via compacts or some other mechanism, from the current central steering model to more market-based arrangements, using a mix of supply-side and demand-side instruments.*

In response to the former higher education review (2002) the State argued: *The South Australian Government supports the current provision of block grants based on the profiles process. Proposals to deregulate public funding (such as the provision of student centred vouchers) have the potential to undermine institutional planning and security and work against smaller institutions in regional locations. The long-term effect on regional economies and the quality of teaching and research in regional*

institutions through the movement of students to larger institutions will result in several smaller universities becoming non-viable.

A demand-driven system can create anomalies such as the over-supply of primary school teachers. However a centrally controlled system might not be responsive enough to shifts in skills requirements. Compacts should allow higher education providers flexibility to apply their funding as they see fit; within a framework that is negotiated with the Commonwealth and in consultation with State governments and industry.

The replacement of current funding mechanisms with the 'compact' has the potential to enable higher education providers to differentiate their student population, research areas, engagement with the community and industry. It may lead to a more diverse system while maintaining a degree of funding certainty.

Universities Australia has also raised the prospect to allow some universities to not receive research funding and choose to become teaching only institutions. The SA Government supported the revised *National Protocols for Higher Education Approval Processes* which determined that an Australian 'University' must have teaching and research to the higher degree level over three or more discipline areas.

Should an institution choose to drop its research function then it would lose the right to use the 'university' title in Australia.

Given the interest of State and Territory governments in ensuring high skills demands of industry are met, funding for research aligns with state priorities and a concern that compacts have the potential to lack transparency, the South Australian Government would wish to be involved in any compact negotiation between universities and the Commonwealth. There are several examples where universities have reduced or closed programs in priority areas for the State. South Australia sees the funding of higher education places as a resource for the SA community and wishes to be involved in the overall planning of their distribution.

Access to funding

Funding policy has not provided any clarity to the sector. While VET is moving rapidly towards a student demand-driven competitive funding model²⁰, undergraduate education in public universities is delivered against a price fixed by the Commonwealth through the Commonwealth Grants Scheme and HECS-HELP fees. The decision to remove access to FEE-HELP for undergraduate domestic students in public universities will further entrench a fixed price in public education while allowing a market to operate for private providers.

Maintaining a fixed price has the advantage of giving a fixed share of public subsidy to all Australian students no matter where they study. It also gives planning certainty to institutions.

²⁰ Based on a VET-specific Special Purpose Payment (SPP) to each state; competitive National Partnership payments for so-called Productivity Places; and proposed National Partnership Payments for reforms in VET market design which is to be considered by COAG later in 2008.

But as the table²¹ at Attachment 1 shows there are significant anomalies in the pattern of eligibility for different providers to different sources of funding. Phillips KPA write:

“These anomalies reflect the various histories of the funding schemes. At least in part this appears to be a matter of legislative and administrative convenience rather than a considered policy position.

“Apparent anomalies highlighted in the table include:

- A number of small private providers, including Tabor College in Adelaide, are eligible to receive Commonwealth tuition subsidies (and therefore HECS-HELP loans) for undergraduate places in ‘National Priority Areas’ under the Commonwealth Grants Scheme. There is no policy logic to explain why some higher education providers are eligible for ‘National Priority’ places while others are not.*
- Postgraduate coursework students at Carnegie Mellon University (CMU) are eligible for FEE-HELP loans, but if there were to be postgraduate research students, they would not be eligible for scholarships.*
- If Australian undergraduates attended CMU they would be eligible for income support such as Austudy, but not for Commonwealth Scholarships.*
- Private universities (Bond and Notre Dame) and the Melbourne College of Divinity are eligible for research grants through the ARC and other agencies, and for research block grants under the Higher Education Support Act (c/w) (HESA). Other bodies such as museums are also eligible for research grants [but private RTOs are not]. CMU is not eligible as an institution for either ARC grants or research block grants (although members of CMU staff could be involved in research projects funded through another university).*

“It is clear that the institutional eligibility criteria have been set on an historical basis, or through convenient reference to the rather ad hoc classification of institutions under HESA.”

A simple and obvious solution is to enable all higher education providers to access all types of grants on a competitive basis. This would have several consequences for current institutions and these need to be identified and considered before any irreversible decisions are made. The bigger question is whether a true market could operate effectively in higher education and still deliver those functions identified at the start of the *Discussion Paper*?

By removing access to FEE-HELP for domestic undergraduate students in public universities the Commonwealth has signalled its intention NOT to create a market in the public provision of higher education.

The South Australian Government believes funding policy should aim to retain the integrity of Australian universities through the level of funding provided, while

²¹ Copied from PhillipsKPA scoping project for the University City Project, Department of the Premier and Cabinet, June 2008

opening up access to other entrants such as quality foreign universities can boost the quality of Australian education overall.

It is not sufficient to encourage an open market among private providers supported by public subsidy when Australian universities are removed from that market and forced to operate within a fixed price.

South Australia is not advocating an open market for higher education. We believe it essential that as a community resource in the best national interest, government support should be available to all eligible Australian students to study a higher education.

Options that have been proposed fall into three main types:

1. *Open Market*

This model is characterised by providing eligible students a guaranteed public subsidy that they may utilise at any approved higher education provider (the so-called ‘voucher’ system). Institutions would be able to set fees to a determined upper limit that would be supported through the FEE-HELP system.

The advantages of this model include:

- simplicity and responsiveness to student demand.
- institutions competing on price, quality and service
- no difference in funding for private and public providers
- would integrate easily with a tertiary education funding system across the whole of VET and higher education.

Obviously some checks would need to be put in place to ensure providers in regional areas remain competitive and that students from marginal groups are not relegated to cheaper institutions.

The disadvantages of this model include:

- sudden shifts in demand between institutions;
- already advantaged institutions being able to charge higher fees and thus capturing a greater share of quality students through the provision of higher quality research and education;
- a drift of funds and quality students to a relatively few institutions with the rest competing on price;
- a loss of community engagement and intersection with broader goals of higher education as competition on price drives some institutions to offer ‘no frills’ qualifications;
- concerns about the ability to maintain quality especially for institutions with low demand for courses in certain areas.

It is likely a model such as this would lead to course closures in the first instance and possibly the closure of some institutions. There would possibly be a drop in the number of available places in some locations.

2. *Fixed or adjusted contribution – variable cost*

This model would provide to approved higher education providers (both public universities and private providers) a fixed level of subsidy for each

student determined centrally to reflect the public share of the cost of delivering a program. This could either be a universal subsidy (eg a fixed amount, say \$5-8000) or one modelled on the current CGS which ranks programs into particular bands according to their delivery cost. Institutions would set their own entry conditions. Like the previous model institutions would be able to set fees from \$0 to a determined upper limit that would be supported through the FEE-HELP system. Distribution of places would be centrally controlled and would take into account student demand, capacity of an institution to deliver (physical and human infrastructure, strength of discipline knowledge etc) and demand for skills.

The advantages of this model include:

- Increasing competition between providers that could lead to improved service and quality
- Variation in fees to give students greater choice of provider
- Similar funding structures for public and private providers
- Opportunity for providers to pursue particular missions and markets creating greater diversity
- Central planning could ensure that all regions currently served would continue to receive supported places.

The disadvantages of this model are similar to those in option 1.

- Over time this could create a vastly segmented system with a few very high quality, high priced institutions (universities), a second level of mostly public universities with a mixture of teaching and research and a third level of public and private providers delivering low cost degrees of variable quality.

3. *Adjusted contribution – fixed cost*

This model is a variation on the current system with the Commonwealth funding a fixed proportion of the cost of delivering a program. A policy decision would need to be made on the proportion of contribution of public and private subsidy (eg 60/40 or 70/30) and this would be provided to approved higher education providers who would only be allowed to charge HECS-HELP up to the agreed 100% of the cost of a particular course. Adjustments would be made for high cost programs such as agriculture and engineering to ensure the student contribution never exceeded the average fees for the OECD. Additional loadings would be made to providers in regional areas, those lifting the level of enrolment by designated groups or providing higher levels of community engagement and for base level research and scholarship.

The advantages of this model include;

- Certainty of funding to assist planning
- Incentive funding to pursue particular objectives
- Equity for students regardless of institution in which they enrol
- Maintenance of institutions in regional areas and courses with low enrolments that are necessary for strategic or cultural reasons (eg languages, philosophy, history etc)

- Funding for public universities and for private providers dependent on meeting agreed outcomes. (To access such funds private providers would have to comply with the 'community engagement' requirement of the National Protocols and any other impost on public universities).

The disadvantages of this model include:

- Providing certainty of funding does not encourage increased productivity
- Institutions could continue to pursue similar missions without the diversity healthy to any sector
- Static funding could hold back some institutions pursuing excellence in teaching and research, especially if the level of funding is only barely adequate.

Finding a single funding formula that encourages increased participation, the pursuit of excellence in teaching and research, engagement with the broader Australian community (including industry) and delivers skilled graduates to the workforce and to continue research will not be easy.

A thorough examination of all the benefits and risks of any funding model needs to be undertaken before the Commonwealth introduces any major change. Funding policy has long-term outcomes and creates irreversible change with sometimes unintended consequences.

The bottom line should be:

- Reduced cost to students so that they pay no higher fees in public institutions than the OECD average
- All higher education institutions must be subject to frequent and robust internal and external quality audits to ensure the quality of teaching and qualifications are of a high standard
- The broad spectrum of discipline knowledge is made available to the Australian community, allowing for institutional variation
- All eligible students are able to access a publicly subsidised higher education place especially in disciplines supplying qualified graduates to areas of workforce shortage.

Student fees

There continues to be debate about the appropriate mix between public and private benefit of a higher education and the amount of fees domestic students should be expected to pay.

The introduction of HECS was based on the benefit accruing to an individual of a higher education over a lifetime earning. The level was set to reflect that while there is a community benefit of an educated society (the publicly funded component) the personal benefit is also high and therefore a student should share the cost of education. Debate continues as to the balance between private and public benefit. This debate exists within the VET sector as well with evidence that those with higher level awards enjoy greater earnings and should therefore contribute more towards the cost of their course.

As previously argued, student debt should not be considered as a policy solution for inadequate public investment in higher education.

The South Australian Government supports an overall review of the Higher Education Loans Programme (HELP) alongside a comprehensive review of income support.

Australian students currently contribute significantly more to the cost of their education than do students in most other OECD countries.

While there is little evidence to suggest increased fees has depressed demand, in times of high employment growth, competition from the labour market has already seen a decline in student demand nationally and in particular in Queensland and Western Australia.

Australia should aim to bring student fees into line with comparable OECD countries to maintain the attractiveness of higher education and remain internationally competitive.

There is also a broader social imperative to reduce fees and that is to send a message to students that education is valued and social capital is worth investing in.

Treasury is unlikely to support a reduction in student fees, especially where there is no evidence that the level of fees is depressing participation. A reduction of \$1000 in HECS-HELP for every domestic undergraduate student would have cost \$540 million in 2006. A phased reduction in specific areas such as that in the 2008 Budget for students studying maths and science is supported.

Dependence on overseas student income is a risky strategy since the global student market is fairly volatile and reacts quickly to events such as currency fluctuations, security risks and the developing sectors in home countries. Therefore an aim of restructuring government support should be to mitigate the financial risk to institutions of a sudden collapse of the international student market.

State Government contribution

Although public funding of higher education is largely a Commonwealth responsibility under an agreement with the States, this State has significantly increased its higher education funding over the past four years:

Table 2: State government expenditure on universities in South Australia (\$000)

2003/04	2004/05	2005/06	2006/07
21,755	30,727	48,107	39,325

Source: DFEEST audit of university expenditure

This increase has been largely due to investment in research and research infrastructure, funding of professorial chairs and capital grants. South Australia recognises and supports the valuable role higher education providers play in the economic, social and cultural development of the state.

South Australia maintains that state funding should be to enhance teaching and research to meet local priorities and should not replace core funding responsibility from the Commonwealth.

Governance and regulation

The regulation of all education is Constitutionally a State and Territory responsibility. State and Territory governments legislate for the establishment of universities and the recognition and approvals of non-university higher education providers. The Commonwealth under its funding powers provides grants to institutions and students loans. The recent High Court decision on the corporations power in the Constitution (the Work Choices case) provides the basis for the Commonwealth to assume the regulation of higher education should it so wish (although it would need to compensate the States for their investment in public universities). The Commonwealth jointly regulates the international student market.

The review of regulation by PhillipsKPA²² cited in the *Discussion Paper* showed that most of the impost of 'red tape' came from Commonwealth reporting requirements rather than State and Territory regulation and reporting requirements.

The *Discussion Paper* suggests several alternatives to current arrangements:

Transfer of 'ownership' to the Commonwealth.

The SA government believes that local regulation enables the State to respond to local imperatives and would need to be convinced that a referral of powers would provide a benefit not attainable by other means.

Furthermore, the South Australian Department of Premier and Cabinet Circular PC021 *Guidelines for Evaluating Proposals for National or Multi-jurisdictional Schemes for Uniform or Consistent Legislation, National Standards and Cooperative Regulatory Schemes* specifies that diversity is one of the essential features of a federal system set forth in the Australian Constitution and that uniformity is warranted only when it will result in significant real and lasting commercial, social, practical or legal advantages that cannot be achieved by other means.

National Regulatory Agency

South Australia participated in the Review by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) into the desirability of a national higher education accreditation agency. The review, which is to be publicly released shortly found no compelling reason to establish such a body but provided options for improving the current regulatory system.

Independent 'buffer' body

The *Discussion Paper* outlines models for an independent body to sit between government and institutions, largely to negotiate funding agreements. While an independent body could dampen direct political interference it also has the potential to stifle innovation and flexibility. The 'buffer' body might find it difficult to restrict its operations to funding and may be drawn to interfering with the regulation of higher education. South Australia supports the exploration of options for an independent funding body.

²² PhillipsKPA 2006, *University Reporting Requirements*, Report to the Australian Vice-Chancellors Committee, Final Report (revised) May

Creation of higher education networks or systems

The South Australian Government commissioned research²³ into a systems model for SA universities. The report argued that only with strong support from the institutions involved could a system be developed among existing universities. The most successful systems such as the University of California were developed as such from inception. Attempts to impose a system over unwilling universities most often met with failure and caused unnecessary disruption. A collaborative model such as that being pursued between the University of South Australia and the Australian National University is much more likely to succeed.

Current national regulatory framework for higher education quality assurance.

The national framework for higher education quality assurance was formally established in 2000 with MCEETYA's approval of the *National Protocols for Higher Education Approval Processes*. Since then considerable work has been done to further the evolution of a model that could justifiably be described as 'national system locally administered'. The work comprises:

- revision and approval by MCEETYA of the *Protocols 2000 (Protocols 2007)*;
- approval by MCEETYA of the *National Guidelines for Higher Education Approval*;
- finalisation of *Standards for Higher Education Regulation Authorities*;
- finalisation of national application and reporting forms and templates;

The regulatory framework is implemented nationally through regular meetings of officer groups under the auspices of MCEETYA. State and Territory accreditation agencies are audited by the Australian Universities Quality Agency (AUQA) from 2010 for compliance with the National Protocols.

The South Australian Government supports the national approach taken by further education Ministers to establish and abide by the *National Protocols for Higher Education Approval Processes* to provide consistency in higher education regulation and quality assessment of all higher education providers.

South Australia finds it most efficient and advantageous to ensure the continuing evolution through a range of quality improvements to the current arrangements and opposes a national accreditation body administered centrally for the following reasons:

- Authorities on regulatory practices such as Professor Malcolm Sparrow of Harvard University²⁴ accept that decentralised regulatory systems are more responsive than centralised systems for they are better able to mobilise a broader range of nongovernmental resources to affect desirable outcomes. Further local bodies are better placed, though a range of actions (eg education), to take preventative measures to achieve an outcome and so minimise regulatory burden and intrusiveness.

²³ PhillipsKPA. 2004, *Review of the Systems Model for South Australian Universities : Options Paper*, SA Higher Education Council

²⁴ Sparrow, M, 2000 *The Regulatory Craft: Controlling Risks, Solving Problems, and Managing Compliance*, Washington: Brookings, pp 32-33

- Local administration enables the achievement of responsiveness to State and local priorities. In South Australia such priorities include a proactive response to accredit high quality foreign universities such as Carnegie Mellon University, Cranfield University and University College London as part of the University City Project.
- Local regulators are able to mobilise informal and local extra-regulatory resources to expedite issues requiring immediate resolution.
- Local regulators are located close to providers for rapid response with greater understanding of local context.

Quality improvements

MCEETYA will consider the review into the desirability of a national accreditation agency mentioned above following the release of the Review of Australian Higher Education. The PhillipsKPA report suggests a number of improvements needed to give full effect to a national quality system. These will be considered by the Joint Committee on Higher Education (JCHE).

South Australia believes the following issues can be addressed through existing structures under the auspices of the Ministerial Council (MCEETYA):

- reducing duplication of assessment of awards leading to occupational licenses by formulating protocols collapsing processes of state accrediting bodies and occupational licensing bodies;
- reviewing and streamlining mutual recognition arrangements;
- national benchmarking activities and assessment moderation processes as required by the *Standards for Higher Education Regulation Authorities*;
- creating consistency among jurisdictions in approach to the issue of offshore and transnational delivery;
- harmonising compliance audits and quality audits.

Internal governance in public universities

South Australia has a sound working relationship with its universities and has and will respond to requests from university councils to amend their governance structures if it is in the interests of the institution and the broader university community to do so. If universities are to pursue their individual mission, they should have the capacity to choose, in concert with the regulator, the form of governance that best suits their needs.

Eligibility for current Commonwealth funding

(Copied from PhillipsKPA scoping project for the University City Project,
Department of the Premier and Cabinet, June 2008)

Green cells indicate that an institution is eligible for the relevant scheme; red cells indicate that it is not.

TYPE OF FINANCING	ELIGIBLE HIGHER EDUCATION INSTITUTIONS				OTHERS
	Table A providers (the 'public unis and Batchelor Institute of Indigenous Tertiary Education)	Table B providers (Bond University, Notre Dame, Melbourne College of Divinity - MCD)	Avondale College, Tabor College, Christian Heritage College	Table C providers (Carnegie Mellon University)	
					Other Bodies
TUITION SUBSIDIES AND FUNDING FOR GENERAL OPERATING PURPOSES					
Commonwealth Grants Scheme (CGS), general					
CGS, 'national priority areas' only*		national priorities only			
OTHER COMMONWEALTH GRANTS UNDER HESA					
Equity, disability					
Productivity					
Learning and teaching performance					
National institutes	ANU, AMC, Batchelor				
Capital development					
Superannuation					
Research Block Grants					
Research Training Grants					
Collaboration and reform					**
Diversity and structural reform		excluding MCD			
Systemic infrastructure		excluding MCD			
Quality assurance and enhancement					***
Learned academies activities					****
Open access					*****
STUDENT LOANS					
HECS-HELP		national priorities only			
FEE-HELP					
COMMONWEALTH SCHOLARSHIPS					
Directly-paid scholarships					
Indirectly-paid scholarships					
Postgraduate research scholarships					
STUDENT INCOME SUPPORT					
Youth Allowance and Austudy					
Australian Development Scholarships	excluding Batchelor	excluding MCD		until 2010	
RESEARCH GRANTS					
ARC Centres of Excellence					
ARC Discovery and Linkage Grants				(a)	Museums and herbaria
APDs and QEII fellowships					Organisations with an appropriate research training environment Publicly funded museums, herbaria, and other research organisations
Federation Fellowships					Public research organisations and NHMRC administering institutions
Future Fellows (proposed)					NHMRC administering institutions
NHMRC grants					Any institution that conducts medical research and meets the requirements to be registered as an NHMRC Administering Institution

(a) Individual researchers may be involved in projects funded by the ARC, but CMU is not eligible to receive grants in its own right.

* Current 'national priority areas' are:

- a) increasing the number of persons undertaking teaching and nursing courses of study;
- b) supporting a number of persons undertaking teaching courses at Avondale College;
- c) supporting a number of persons undertaking teaching and information and communications technology courses of study at the University of Notre Dame Australia;
- d) supporting a number of persons undertaking medical courses at the University of Notre Dame Australia; and
- e) supporting a number of Indigenous students undertaking courses of study at the University of Notre Dame Australia

**Table A Providers and the following bodies corporate are eligible for CASR grants:

- (i) Australian Vice-Chancellors' Committee;
- (ii) Business/Higher Education Round Table Limited;
- (iii) General Sir John Monash Foundation;
- (iv) Academy of the Social Sciences in Australia;
- (v) Australian Academy of the Humanities;
- (vi) Australian Universities Quality Agency Limited;
- (vii) The Australian Council for Educational Research Limited;
- (viii) Australian Chamber of Commerce and Industry;
- (ix) Business Council of Australia;
- (x) Australian Industry Group;
- (xi) Council for the Humanities, Arts and Social Sciences;
- (xii) Gippsland Education Precinct Inc; and
- (xiii) TRISH MS Company Limited.

Other bodies corporate may apply for funding. If successful, payment of a grant will be subject to amendment of these Guidelines in accordance with the Act to include them in the list of eligible bodies corporate.

In accordance with item 10 of the table in subsection 41-10(1) of the Act, the following bodies corporate are eligible for grants to support the development of systemic infrastructure used by higher education providers:

- (a) Bond University; and
- (b) The University of Notre Dame Australia.

***The following bodies corporate are eligible for grants Item 11a:

- (a) The Carrick Institute for Learning and Teaching in Higher Education Limited (Carrick);
- (b) The Australian Universities Quality Agency (AUQA);
- (c) Graduate Careers Australia (GCA);
- (d) The Australian Council for Educational Research Limited (ACER); and
- (e) The Australian Vice-Chancellors' Committee (AVCC).

****The following bodies corporate are eligible for grants under the Learned Academies Grant Programme:

- (a) The Australian and New Zealand Association for the Advancement of Science (ANZAAS);
- (b) The Australian Academy of Technological Sciences and Engineering;
- (c) The Australian Academy of Science;
- (d) The Australian Academy of the Humanities; and
- (e) The Academy of the Social Sciences in Australia.

*****Open Universities Australia