

Review of Australian Higher Education



New South Wales Government Submission

July 2008

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RECOMMENDATIONS

The New South Wales Government proposes that the Review recommend:

- 1.** Regular and systematic bilateral consultations between the Commonwealth and states to ensure that, in funding negotiations with universities, identified workforce supply needs and strategies to address them are taken into account
- 2.** Commonwealth incentives to enable universities to improve their responsiveness, flexibility and capacity to support partnerships with employers in meeting graduate skills needs
- 3.** A long term national approach to significantly increasing participation by students from Indigenous, low SES and rural and remote backgrounds, including Commonwealth funding incentives to enable universities to engage with the school and vocational education and training sectors.
- 4.** Consideration of enrolment and completion targets as one strategy to lift participation for identified equity groups in higher education
- 5.** A review of student income support arrangements for identified equity groups to determine the adequacy of the current levels of financial support they provide
- 6.** Improved credit transfer and the provision of information on credit transfer be made a condition of university funding to lift the rate of transfer from vocational education and training to university
- 7.** Consideration of incentives for developing joint TAFE/university integrated qualifications
- 8.** The establishment of a multilateral process to ensure a more coherent and cross-sectoral approach to student loan policy
- 9.** Commonwealth funding incentives to enable universities to engage with schools in formal partnerships, to improve transition to and participation in higher education
- 10.** Commonwealth support for research and innovation to include recognition of the benefits of a strong focus on the uptake and adaptation of existing solutions.
- 11.** Support from the Education Investment Fund for vocational education and training and higher education partnerships that focus on innovation and involvement from industry
- 12.** Retention of the concept of an Australian university as an institution requiring research expertise and an active profile in research, teaching and scholarship
- 13.** Recognition of knowledge transfer and community engagement as essential functions for higher education, supported with Commonwealth funding incentives to enable sustained collaboration with communities

- 14.** The general principles identified in this submission to achieve an ongoing and equitable approach to funding across the sector through the Commonwealth's higher education funding model and future funding processes

In particular, account should be taken of the circumstances and requirements of rural, regional and outer metropolitan universities in comprehensively meeting the needs of their students and communities and their contribution to local economies

- 15.** The continued work between the Commonwealth, States and Territories for implementation of further efficiency and effectiveness in university financial regulation and reporting; regulation of the non self-accrediting sector; regulation of provision for international students onshore and offshore; and quality assurance of higher education across the sector.

1. HIGHER EDUCATION IN MODERN AUSTRALIA

Characteristics and functions

A statement of the characteristics and functions of higher education in modern Australia should set out a balanced account of the multiple purposes of higher education in a modern democracy highlighting both the public good and the private benefits that result from it.

The discussion paper provides a generally well conceptualised account but may be read as over-emphasising economic and vocational purposes at the expense of traditional roles in providing for generalist education, intellectual development and leadership, and research.

Higher education should be comprehensive, covering vocational and generalist education, scholarship and research: these should be equally valued and understood as complementary and interrelated. The role of higher education in providing for intellectual leadership and producing a well informed, critically engaged citizenry should not diminish as recognition of the role of the sector in preparing highly skilled professionals and driving innovation for economic improvement grows.

Higher education has a key role in generating the free flow of knowledge and information necessary to sustain democratic ideals and practices in a context of rapid social and economic change. This role is a central reason why governments have responsibility for the public policy framework governing the planning and funding of higher education.

The sector has an increasingly important role in delivering applied studies and research, and in linking with the community to improve the material and social conditions of our society. Higher education therefore needs to be able to support reform and change in work, the economy and society.

Such a view is not inconsistent with, but complementary to, the scholarly pursuit of knowledge. The cultivation of intellect and imagination including cultural, social and moral dimensions, and the exercise of intellectual freedom, inquiry and openness are equally as relevant to vocational education as to liberal education generally.

A recognition of the full extent of the purposes of the sector provides the best basis for getting the public policy settings right.

Diversity and quality

Australia should have world class higher education and it is appropriate to continue to invest in areas of relative strength. The goal of creating a more diverse sector should not result in entrenching a system differentiated on quality of provision. It is important that the standard of provision is high and consistent across all types of institution, and that quality outcomes are delivered. These need to be determined from a range of stakeholder perspectives.

Participation

It is important that all those who can benefit from higher education have the opportunity to participate. A clear commitment to increasing participation of people

from disadvantaged backgrounds, including through collaboration with schools and vocational education and training providers, should be a key characteristic of the Australian higher education system.

Connectedness

The connectedness of higher education in the overall span of education and training provision is important and requires a more integrated relationship with the vocational education and training and school sectors.

Research and Innovation

Research and innovation are activities integral to the higher education sector that are essential for reform and progress in all fields of human endeavour. Both the private and public sectors should provide funding and expertise to encourage research and innovation, as both derive significant benefits.

Business and Industry

Business and industry need to view themselves as playing a greater role in the sector, not just as end-users of graduates and beneficiaries of research outcomes. This requires greater involvement in funding and support for research and development, teaching and scholarship.

Community

The interplay between higher education and the Australian community is important and undervalued. It is necessary for the sector to engage actively with the Australian community, both broadly and in specific senses – for example, with communities in regional Australia, with professional and business communities, and with governments.

2. MEETING LABOUR MARKET AND INDUSTRY NEEDS

2.1. Balancing student demand and workforce supply needs

The discussion paper makes the key point that because student demand is the primary driver of funding through Commonwealth Grants and tuition fees, higher education providers are most attuned to student demand in varying funding, enrolments and discipline mix. Of secondary consideration are concerns to do with industry and employer requirements and employment outcomes.

Achieving precision in matching demand and supply of graduates is difficult and, as the paper observes, there is evidence that students are in the main making rational choices in the current approach. It is unlikely that a fully centralised planning approach is going to achieve a better overall outcome in matching workforce demand and supply.

However, there are areas of State and national workforce need where intervention to better engineer desired graduate outcomes is legitimate. With the right cooperative arrangements better outcomes can be achieved. Key areas include teaching, allied health and early childhood, along with other professional knowledge and skill areas where shortages may impact on state and regional development such as in engineering, information and communications technology, accounting, science and technology. These priorities may change over time.

2.2. Commonwealth–State consultative arrangements

Achieving better workforce outcomes in critical areas requires formal bilateral consultations between states and the Commonwealth to identify workforce needs. These should occur in the context of decision making around funding for and allocation of university places, and be consistent with directions and initiatives being undertaken by the Council of Australian Governments (COAG), as well as national and state policy priorities, where relevant.

While the specifics of proposed mission based funding compacts are not yet clear, discussions with individual universities about their missions and their discipline profiles and mix, should factor in and develop strategies to address workforce needs that go directly to the social and economic well-being of regions, states and the nation.

Consultations should not be simply about allocating additional places. They should also be about developing incentives to generate demand in critical areas; working with universities to address institutional impediments to their capacity to be more flexible and responsive in providing places and appropriate curriculum; and collaboration in decision making about longer term policy and strategy.

2.3. Teaching workforce supply and quality

The pre-service preparation of teachers in universities provides an example of the inefficiencies that can result from a purely demand driven approach.

Universities continue to offer places in, and admit large numbers of students to, primary teacher education programs despite workforce projections showing a continuing oversupply of primary teachers. This is driven by student demand and the imperative for universities in an environment of declining public funding to fill places wherever possible.

In New South Wales in 2008 there are over 13,000 people on the waiting list to become primary school teachers. At the same time, there are shortages in secondary teaching areas of mathematics, science, technology, and to some extent English.

The lack of planning and management of teacher workforce supply has dramatic implications for teacher quality and for the efficient use of limited state and Commonwealth government resources. Some critical issues for the New South Wales Government as the largest employer of teachers in Australia are:

- The impact on teacher quality of unfettered growth in primary teacher education in universities and a concurrent decline in the quality of the candidature in some universities
- The significant cost incurred by the state school system in providing practicum support for teacher trainees who will not enter the teaching workforce and/or who, in some cases, are unlikely to become high quality teachers based on their own school performance
- The recent McKinsey Report on characteristics of high performing school systems argues that schooling systems need to control entry to teacher training.¹ Failure to

¹ McKinsey & Co, *How the World's Best-Performing School Systems Come Out On Top*, September 2007 (http://www.mckinsey.com/client-service/social-sector/resources/pdf/Worlds_School_Systems_Final.pdf)

do so almost invariably leads to an oversupply of candidates. This in turn has a significant negative effect on teacher quality.

Unless the State can work constructively with the Commonwealth to address these effects, concerns about the quality of graduates will continue and initiatives to boost other areas of shortage will remain under-funded.

2.4. High level skills development and responsiveness to the impact of innovation on professional knowledge and skills needs

As the discussion paper notes, there is significant potential for growth in participation by the over-25 age group. Much of the potential growth is in further qualifications relating to employment and emerging career opportunities, and innovation and change in employment practices.

Efforts to engage more people in the uptake of higher qualifications pathways will require multiple strategies. Higher education participation needs to be a workable option for those seeking personalised solutions to their learning needs.

New approaches to packaging courses, recognition of prior learning, and provision of tailored and flexible learning opportunities need to be promoted and supported by the Commonwealth, in cooperation with state and local governments and industry.

There is considerable scope for further links to be developed between universities and employers and industry to: identify research opportunities; higher level knowledge and skills and professional qualification needs; develop curriculum content; structure higher qualification pathways; and work together on flexible delivery options.

2.5. Innovation in the health sector

The higher education sector has a significant role in workforce supply and in delivering education and training that is responsive to innovation and change in health services provision. The National Registration and Accreditation Scheme for Health Professionals will, for example, have major implications for the preparation of health professionals in Australian universities.

The following factors underpin higher education and the health sectors working in partnership to achieve necessary service reform:

- transparency within universities in the allocation of funding for the education of future health professionals
- enhanced alignment between health professional education programs and community and industry need, particularly regarding service redesign and workplace reform
- enhanced articulation between vocational education and training and higher education programs
- greater integration of higher education quality processes with specialist postgraduate health professional education.

In particular, there is a need to reform health professional curricula in order to be responsive to changing demands in the delivery of health services.²

Examples of ways in which the health workforce and training system can be responsive to changing demands include:

- Identifying a core competency framework to recognise specific skills and knowledge.³
- Development of generic first and second year programs that provide learners with knowledge and skills for work in the human services and health industry with profession specific third and fourth year programs, where in some cases the fourth year of the program leads to a Master qualification
- Development of models of education encouraging inter-professional interaction and learning experiences, with greater emphasis on the practice of health service delivery as the driver for inter-professional learning
- Clinical education strategies should maximise opportunity for simulation and broader application of educational technology in order to provide optimal clinical placement experiences for students and minimise risk for both clients and students (*see Appendix A*).

The growing interdependence between the services provided in the health sector and the education and training needed to provide them is equally true for other sectors and industry areas.

2.6. Mechanisms for improving responsiveness

The Commonwealth, as the primary funding source and driver of policy in higher education, will need to work with the higher education sector to improve its capacity for flexibility and responsiveness, and support partnerships with employers and industry.

At a national level, liaison between the Commonwealth, peak industry bodies, professional groups and enhanced dialogue with state and territory governments would enable identification of higher level skills needs to be taken up through specific Commonwealth policy initiatives and resource allocation.

At a state and local government level, government agencies and universities can work more productively to identify skills needs, develop advice to the Commonwealth on policy and resource needs, develop curriculum, and negotiate delivery options for

² Australian Government Productivity Commission, *Australia's Health Workforce: Productivity Commission Research Report*, December 2005: p. 68

(http://www.pc.gov.au/_data/assets/pdf_file/0003/9480/healthworkforce.pdf)

³ According to the National Health Workforce Taskforce 2008, “[i]dentifying a core competency framework could provide a mechanism by which skills and knowledge can be recognised outside of the traditional silos of discrete professions. A core competency framework is a tool to describe the specific skills and knowledge a person has and could assist in facilitating staffing across profession and/or service stream that could result in encouragement of workforce flexibility and role redesign”. Core competency frameworks have become “increasingly important given the forecasts for an ageing population, an equally ageing workforce and a lack of recognised pathways to up-skill or skill-transfer those seeking employment in the health workforce” within a climate of national skills shortages within the existing health workforce.

higher qualification pathways and professional development programs linked to professional standards.

Recommendations

That the Review recommend:

1. Regular and systematic bilateral consultations between the Commonwealth and states to ensure that, in funding negotiations with universities, identified workforce supply needs and strategies to address them are taken into account
2. Commonwealth incentives to enable universities to improve their responsiveness, flexibility and capacity to support partnerships with employers in meeting graduate skills needs.

3. OPPORTUNITIES TO PARTICIPATE IN HIGHER EDUCATION

3.1. Under-participation in higher education

Under-participation in higher education by Indigenous, low socio-economic status (SES) and rural and remote students must be addressed at every stage of learning, beginning with prior to school preparation. These population groups continue to have significantly larger proportions of students with lower levels of educational achievement in schooling and lower school completion rates, both of which impact on their capacity to participate in higher education.

A concerted effort to increase participation of students from disadvantaged backgrounds will improve the life prospects of those individuals but, equally importantly, will build the human capital of this country.

The New South Wales Government's State Plan has set priorities and targets to improve educational achievement and school retention rates for these student groups. A broad range of funded initiatives are in place to drive up achievement in the early years, to monitor and support continued growth in achievement and to increase school completion levels.

The findings from the March 2008 report, *Participation and Equity*,⁴ highlight the need for a concerted and properly resourced effort across sectors and stages of education and training to lift participation from these groups.

- People from low SES backgrounds are about one-third as likely as people from high SES backgrounds to participate in higher education
- The share of university places for people from low SES backgrounds, approximately 15% compared with a population reference point of 25%, has remained unchanged for the past 15 years
- People from low SES backgrounds are particularly under-represented in the professional fields of study and in postgraduate education (less than 10% of postgraduates)

⁴ *Participation and Equity – A Review of the Participation in Higher Education of People from Low Socioeconomic Backgrounds and Indigenous People*, prepared for Universities Australia by the Centre for the Study of Higher Education, University of Melbourne, March 2008

- The under-representation of low SES people is most marked in Group of Eight universities
- Low SES rural people are more under-represented than low SES urban people
- Indigenous people are vastly under-represented even on the most conservative estimates.

A national approach should be established across the higher education sector that complements initiatives in early childhood, school and vocational education to improve attainment and participation for students from these groups. A national approach could be linked to initiatives being developed under the COAG process for the schooling and vocational education and training sectors. It should be based on adequate Commonwealth funding for universities to be able to undertake sustained partnerships that link in with initiatives in the schooling and vocational sectors.

The goal of the national approach should be that all who can benefit from higher education have the opportunity to participate, with a concerted effort to increase participation of students from low SES backgrounds.

3.2. Principles for school-university collaboration

A national framework should include the following key characteristics:

- a focus on lifting attainment, raising aspirations and facilitating pathways, not on lowering entry standards
- a commitment by all universities, backed up with dedicated places and quality resources, to work in partnership with schools
- outcomes, targets and measures for reporting progress – similar to those being proposed for the COAG education and training initiatives
- longer term strategic partnerships with targeted schools based on student achievement and university participation data
- strategies that target students at the Year 10 level (or earlier) with potential to advance into higher education and support them as they progress through their final years with guaranteed conditional enrolment based on meeting identified standards
- jointly developed careers advice programs
- strategies in the earlier stages of schooling that build students' aspirations to attend university, including programs to raise parental awareness.

3.3 Collaboration with the vocational education and training sector

Participation rates of low SES people relative to medium/high SES people are stronger in vocational education and training than in higher education. Developing strategies to support these students to enter and complete higher education should be a priority.

TAFE NSW has a strong record in assisting students from equity groups to complete higher level vocational education and training qualifications. In 2007, about 30% of TAFE students (12,906 of a total 45,099 enrolments) enrolled in Diplomas and above were recognised as low socioeconomic status students. TAFE NSW encourages students from equity groups to enrol in higher level vocational education and training qualifications.

Equity target group	2002 Graduates at Cert III and above	2007 Graduates at Cert III and above	% increase in Graduates 2002-07
Aboriginal	648	1,146	76.9%
Students with disabilities	2,788	2,819	1.1%
Non English Speaking Background	10,463	12,205	16.6%
Rural and isolated students	19,448	23,845	22.6%

Source: Department of Education and Training Annual Report 2006 and Annual Report 2007

The Department of Education and Training's Aboriginal Education Review was released in December 2004. Since then TAFE NSW has put in place a number of strategies to close the gap between the education achievements of Indigenous students and the general population. One of the most significant was training for TAFE NSW staff in Aboriginal culture, especially in regional areas. This training has enabled many TAFE teachers to work in partnership with their local Indigenous communities to achieve improved outcomes.

From 2003 to 2007, there has been a 29% increase in Indigenous student enrolments and an increase of over 32% in course completions.

TAFE NSW Enrolments and Course Completions for Aboriginal Students by Qualification Level Certificate III and above 2003-2007

Enrolments – Aboriginal	Enrolments					% Change	Graduates					% Change
	2003	2004	2005	2006	2007		2003	2004	2005	2006	2007	
Diploma and above	661	624	636	666	745	+12.7	86	93	105	132	164	+90.7
Certificate IV and equivalent	1,095	1,050	1,276	1,396	1,648	+50.5	184	257	313	263	361	+96.2
Certificate III and equivalent	3,506	3,464	3,396	3,872	4,133	+17.9	503	535	598	611	621	+23.5
Total enrolments	19,624	19,954	21,567	23,246	25,299	+28.9	6,385	6,975	7,957	8,327	8,461	+32.5

Source: Department of Education and Training Annual Report 2007 and TAFE Data Warehouse

The TAFE NSW experience shows that TAFE graduates from equity groups will succeed with adequate support, including mentoring and careers pathway counselling. Universities can build on this success through scholarships and targeted transition programs to assist these students to enter, continue and complete higher education.

Enrolment and completion targets for equity groups are built into funding agreements for the vocational education and training sector. A similar approach in higher education funding may assist in improving outcomes for these groups.

3.4 Income support for equity target groups

The difficult financial circumstances of many Australian university students and the significant impact of financial pressures on students' capacity to study effectively are highlighted in the 2006 Universities Australia study of student finances.⁵

⁵ 2006 Final Report, prepared for Universities Australia by the Centre for the Study of Higher Education, University of Melbourne, August 2007.

For Indigenous, low SES and rural and remote area students in particular the availability of sufficient financial support while attending university is a significant factor both in terms of making a choice to enrol in and subsequently to complete a qualification.

Since 2000 there has been a marked decline in Commonwealth assistance in the form of income support (\$2,170 average income per year in 2006 compared with \$2,456 in 2000) and a corresponding decline in the proportion of full-time undergraduates receiving such support (42.4% in 2000 to 35.2% in 2006)⁶

The Universities Australia study highlights a number of key findings relating to Indigenous students, including that:

- Close to three quarters of Indigenous students reported that their financial situation was often a source of worry to them compared with just over half of their non-Indigenous counterparts and were almost twice as likely to go without food and other necessities because they could not afford them
- A higher proportion of Indigenous students, especially postgraduates, reported that they regularly missed classes or other study activities because of their paid work commitments
- More Indigenous than non-Indigenous students had taken out a loan in order to study and the average loan taken out by Indigenous postgraduate students was larger than the average loan taken out by non-Indigenous students.⁷

The recent Federal Budget measures that double Commonwealth Education Costs Scholarships (CECS) and Commonwealth Accommodation Scholarships are a welcome improvement. However, the annual quantum for these scholarships – \$2,162 for the Education Costs Scholarships, and \$4,324 for the Accommodation Scholarships – seems inadequate to achieve their purpose.

Review and monitoring of the levels of, and eligibility for, financial assistance provided to low SES students is necessary. Importantly the assistance provided must compensate for income foregone while studying.

Recommendations

That the Review recommend:

3. A long-term national approach to significantly increasing participation by students from Indigenous, low SES and rural and remote backgrounds, including Commonwealth funding incentives to enable universities to engage with the school and vocational education and training sectors
4. Consideration of enrolment and completion targets as one strategy to lift participation for identified equity groups in higher education
5. A review of student income support arrangements for identified equity groups to determine the adequacy of the current levels of financial support they provide

⁶ 2006 Final Report: p.6

⁷ 2006 Final Report: Chapter 7

4. CONNECTING WITH OTHER EDUCATION AND TRAINING SECTORS

4.1. *Links with Vocational Education and Training*

The Review of Australian Higher Education provides an opportunity to examine the links between the higher education and vocational education and training sectors and particularly the role of TAFE. Each sector's distinctiveness must be retained at the same time as there is clear recognition of the need for new types of partnerships and learning pathways where commonality of interests exists between sectors.

While some vocational education and training qualifications are designed to lead to qualifications in the higher education sector, there are other elements of vocational education and training that form its distinct mission.

Vocational education and training is intrinsically linked to the needs of business and industry. Vocational education and training is based on national standards set by industry and articulated in training packages and qualifications that comprise the vocational education and training component of the Australian Qualifications Framework (AQF). The qualification levels build pathways through sequences of qualifications from post-school entry level qualifications (Certificate II) through to Diplomas and Advanced Diplomas.

The competency standards and assessment guidelines for each qualification link closely to the needs of specific industry sectors. This approach not only leads to nationally consistent outcomes but creates opportunities for training providers to customise programs to suit the needs of particular industries and individual enterprises.

Demonstration of competence in the workplace and recognition of prior learning are central to achieving vocational education and training qualifications.

The relationship between the vocational education and training and higher education sectors must be strengthened to ensure Australia has a high proportion of people with high level skills into the future. The following actions will strengthen the relationship between the two sectors.

Integrated vocational education and training/university qualifications

TAFE NSW Institutes and local universities work together to jointly design and deliver courses based on the best pathways for students and the most appropriate use of educational resources. During three year programs, for example, students can receive concurrent tuition from both TAFE and university staff and be awarded up to three separate qualifications rather than one university qualification, often in reduced time.

These partnerships allow staff working at the local level to develop unique programs based on common elements in qualifications between the sectors and maximise benefits for the students involved (*see Appendix B*).

Increased credit transfer to strengthen links between the sectors

Credit transfer enables both sectors to pursue distinct missions while ensuring that students are not required to repeat their learning in areas where commonality exists between the courses delivered by TAFE Institutes and universities. In 2005, 114,262 students commenced study at a NSW university.

Of this group:

- 7,513 (6.6%) entered a Bachelor Degree program on the basis of vocational education and training studies
- 3,071 (2.7%) received credit transfer for their previous vocational education and training studies.⁸

From 2001 to 2006, in NSW, the percentage change in credit transfer to university from TAFE was 2.03% to 2.47%, an increase of 0.4%. However, for the same period the number of enrolments in TAFE NSW at Diploma and above increased by 4.6%. Increases in TAFE enrolments do not appear to necessarily translate into increases in credit transfer to university.

Number of Students Credited for TAFE Studies at NSW Universities – 2005⁹

Institution	Credit Given for TAFE Study	Commencing Students
University of Wollongong	0	8,908
The University of Sydney	39	16,548
The University of New England	54	6,249
The University of New South Wales	88	12,946
Southern Cross University	120	5,348
Macquarie University	267	11,862
The University of Newcastle	332	10,766
University of Technology, Sydney	557	11,606
Charles Sturt University	626	12,736
University of Western Sydney	983	13,870
Other Higher Education Institutions	5	3,423
TOTAL	3,071	114,262

While some universities actively seek to partner TAFE in joint programs and credit transfer arrangements, others are reluctant. As a result, the opportunities for TAFE students with the same qualification to gain advanced standing at a university vary across the State.

Improvements in TAFE to university credit transfer could be achieved across the board by setting performance targets in university funding agreements. This approach has been raised in the past by the Vocational Education and Training National Senior Officials Committee and the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA).

Effective credit transfer arrangements have the potential to enhance Australia's human capital by encouraging and facilitating access to higher education, as well as improving the life prospects of students from disadvantaged backgrounds.

4.2. Policy coherency in the application of student loan schemes

The demand for higher education, particularly for students from disadvantaged backgrounds, is likely to be influenced by the relative costs of alternatives, such as vocational education and training.

⁸ DEEWR Higher Education Statistics Collection – unpublished data.

⁹ TAFE NSW holds concerns about the accuracy of the figure for credit granted by the University of Wollongong.

The introduction of VET FEE-HELP has highlighted a number of practical issues for the vocational education and training sector stemming from the application of higher education policy to the vocational education and training sector.

For example, VET FEE-HELP requires evidence of credit transfer for diplomas and advanced diplomas with higher education institutions. This will prohibit students accessing loans in areas that do not have direct pathways into higher education but which play a valuable role in addressing industry skill shortage areas. Some universities may also regard the extension of a loan scheme for vocational education and training students as a potential threat to their market and this may inhibit the development of credit transfer arrangements with TAFE.

This requirement is also potentially anti-competitive: universities hold the power to determine credit transfer arrangements and have an interest in keeping vocational education and training providers out of the market.

Given the potential impact on demand for courses across sectors, there should be a common interest in the establishment of a multilateral process to ensure a coherent, cross-sectoral approach to policy on student loan schemes.

Recommendations

That the Review recommend:

6. Improved credit transfer and the provision of information on credit transfer be made a condition of university funding to lift the rate of transfer from vocational education and training to university
7. Consideration of incentives for developing joint TAFE/university integrated qualifications
8. The establishment of a multilateral process to ensure a more coherent and cross-sectoral approach to student loan policy

4.3. Developing broader and stronger university–school links

A key focus of education policy in recent years has been on improving connections at transition points in the learning continuum: from early childhood to primary school; primary to secondary school; and from secondary to senior secondary years. At the senior secondary stage significant integration with vocational education and training has occurred. While practices on the ground vary, connections between schools and the higher education sector are the least developed in any formal sense.

Sustained partnerships

There should be a concerted national effort underpinned by additional Commonwealth resources to enable universities to enter into sustained, strategic partnerships with schools. These programs would support: development of more pathways options; increased participation in higher education;¹⁰ preparation of students who are better motivated and informed on entry to higher education; and greater sharing of facilities

¹⁰ For example, the New South Wales Department of Education and Training estimates that one fifth of the top 15% of students (1660 students) in Sydney at the Year 10 School Certificate in 2003 did not subsequently go on to take up degree level study at a NSW or ACT university.

and resources.

As well as the proposal above for improving Indigenous, low SES and rural and remote participation, universities and schools can work together on a broader basis to their mutual benefit, for example, to:

- encourage science and maths pathways into higher education
- provide opportunities for able students to include university courses in their studies
- work jointly on strategies for second chance provision
- develop curriculum resources, particularly for online provision
- provide specialist programs
- establish integrated senior school, vocational and higher education networks
- establish schools as ‘university’ schools.

Collaboration between universities and schools on teacher practicum and professional development

There is also room for greater and improved collaboration on practicum provision for teacher trainees and for trainees in other professional and para-professional areas where work with schools and school students is required.

Teacher practicum support

‘Model’ professional practice schools could be established and recognised as hubs for best practice, becoming demonstration laboratories of good teaching. University staff could commit to engagement with a school and to working with the school to identify and meet individual and group professional learning needs. Under such a model schools could offer longer term internships and work-based learning for aspiring teacher graduates as well as opportunities for collaborative teaching and research.

This model could also be extended to undergraduate and graduate programs in counselling, speech therapy, welfare support and behaviour management in schools where these services are commonly required.

Professional development for teachers and support staff

Ongoing professional development partnerships, focusing on curriculum content and leadership could be established between schools and universities where online short courses and work-based programs are developed. These programs would be tied to teacher professional standards requirements and enable universities to package and deliver flexible pathways to higher qualifications.

Universities and vocational education and training providers could also collaborate to develop qualifications pathways for support staff in schools, particularly for staff working in special schools and ‘wrap around services’ school settings. For example, support staff could undertake traineeships in TAFE that ultimately articulate to higher education qualifications.

These are areas where significant growth in participation in higher education for the over-25 age group can be achieved.

Recommendation

That the Review recommend:

9. Additional Commonwealth funding incentives to enable universities to engage with schools in formal partnerships, to improve transition to and participation in higher education, particularly by students from disadvantaged backgrounds.

5. HIGHER EDUCATION'S ROLE IN THE NATIONAL INNOVATION SYSTEM

5.1. NSW approach to innovation policy

The New South Wales Government Statement on Innovation supports a broad understanding of innovation; beyond the invention and commercialisation of new ideas to include a strong focus on the uptake and adaptation of existing solutions. This requires skill development to assist in the diffusion of innovations and existing solutions beyond the large market-leaders, to a wide range of companies which otherwise might not be able to take advantage of these concepts.

This approach to innovation is reflective of the NSW economy which is heavily dominated by the services sector (representing 83% of the State economy). The New South Wales Government Statement on Innovation advocates a stronger focus on improving productivity in industries that are most likely to produce benefits for the broader NSW economy. The Statement and associated policies aim to enhance the NSW business environment by ensuring that impediments to innovation are identified and addressed, and facilitating greater adoption of innovation.

Underlying this sectoral approach, the Statement targets five innovation policy goals:

1. Improve human capital
2. Upgrade knowledge and information infrastructure
3. Reduce the cost to business of utilising science and technology
4. Encourage capital allocation to invest in innovation
5. Reduce regulatory barriers to innovative NSW companies.

The New South Wales Government funds programs aimed directly at improving skills, research and innovation capacity relevant to industry. This includes significant investments in science and medical research, the development of solutions to improve productivity in primary industries and an additional array of education and skills-related programs.

Further work will occur on policies to improve high level skills in parts of the creative industries; address skills gaps in the financial services sector; support productivity of the manufacturing sector and the logistics industry; and to encourage innovation and skills in a low carbon economy.

5.2 How can higher education policy impact upon innovation?

In order to adapt and take up innovations, existing workforces need up-skilling and re-skilling as demands for skills constantly change. In many cases education and training courses cannot be quickly developed to take advantage of the needs of industry – in some cases due to accreditation and institutional requirements.

Constantly changing demands for skills in an innovative economy require that higher education institutions and registered training organisations join together to provide courses which meet the needs of industry.

Support mechanisms – knowledge application and knowledge diffusion

An increasingly innovative economy requires an education and training system which is flexible in delivery, highly responsive to current and future market needs and able to rapidly respond to emerging market trends. Facilitating skills for innovation requires:

- rapid rollout of new courses: which may or may not cover structured or unstructured, accredited or non-accredited options
- increased industry-specific training: increasing labour market mobility combined with higher specialisation and training costs means there is less incentive for some industry to invest in training
- support for niche training programs: small markets requiring niche skills often do not provide a sufficient financial return to either public or private sector training providers.

5.3 Higher education's role in research and development and related training capacity

While universities are primary providers of knowledge and research infrastructure, only a small proportion of Business Expenditure on Research and Development (BERD) in Australia is expended in the university system: 1.6% of 'innovating businesses' utilised research facilities in Australian universities and research institutes in 2004/5.¹¹ This gap has also been acknowledged in submissions to the Review of the National Innovation System.

Mechanisms must be developed to achieve:

- more effective access and utilisation by industry of the skills-base and facilities held by universities
- greater business investment in university research and development
- greater transfer of ideas, skills and ideas between universities and industry
- funding models that instigate new partnerships and links between universities, TAFE and the private sector to build skills in innovation industries.

This could be achieved by bringing higher education institutions together with:

- employers and industry (addressing how university research and training can be applied to support innovation and sustainability)

¹¹ ABS Innovation Report [8158.0, 2005]

- TAFE Institutes and vocational education and training providers (recognising the role of vocational education and training in developing the workforce and the critical role played by trade and technical staff in supporting innovation and efficient technology transfer).

This approach would recognise the different roles of higher education and vocational education and training with respect to research while looking to draw on those differences to support industry development. It might involve, for example:

- a higher priority on the funding and application of research findings through cross-sectoral partnerships with industry, TAFE Institutes and employers
- prioritising access to the Education Investment Fund to support these partnerships.

‘Teaching only’ universities

The essential nexus between university teaching and research is strongly endorsed. There should not be a place for ‘teaching only’ universities in Australia’s higher education sector. All institutions termed ‘universities’ should engage in research but this does not mean all universities should be research-intensive.

Teaching and scholarship in universities should be informed by current research. The best way for this to occur is via research-led teaching, in which those engaged in research are also involved in teaching.

The discussion paper identifies two factors contributing to calls for considering ‘teaching only’ universities: the significant proportion of university staff not actively engaged in research and the rise in costs associated with sustaining research infrastructure across all fields in all universities.

Recognition of the pressures for greater specialisation and concentration of resources in the sector is important. However, the goal of creating a diverse set of high-performing, globally-focused institutions should not result in entrenching a system differentiated on quality of provision and erosion of the meaning associated with the title ‘university’ in the Australian context.

Recommendations

That the Review recommend:

10. Commonwealth support for research and innovation to include recognition of the benefits of a strong focus on the uptake and adaptation of existing solutions
11. Support from the Education Investment Fund for vocational education and training and higher education partnerships that focus on innovation and involvement from industry
12. Retention of the concept of an Australian university as an institution requiring research expertise and an active profile in research, teaching and scholarship

6. AUSTRALIA'S HIGHER EDUCATION SECTOR IN THE INTERNATIONAL ARENA

6.1 Regulatory and quality assurance arrangements in the international arena

The regulation of international higher education provision by Australian higher education institutions, both onshore and offshore, is an important aspect of internationalisation that needs attention.

Commonwealth policy settings under which universities have been encouraged to raise greater revenue from international students, and all providers have been increasingly able to operate in the overseas student market. The provision of higher education services to international students requires an efficient and effective approach to registration and quality assurance.

The issue is addressed in the later section of the submission dealing with regulation, but the following issues are key:

- there is a lack of clarity still in the shared responsibilities the Commonwealth and states and territories have for regulation under the Education Services for Overseas Students Act (ESOS) and associated legislation
- onshore and offshore regulation should be brought together to bring about a more coherent nationally consistent policy and regulatory environment
- current state and territory approval processes for entry to the sector (institutional registration, course accreditation and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) approval) should not be expected to function as de facto quality assurance processes for the non self-accrediting sector
- quality assurance arrangements must accordingly be stronger in this area and directed more towards standards and teaching and assessment practices in courses provided for international students to ensure that they are appropriate across all higher education institutions both public and private.

7 HIGHER EDUCATION'S CONTRIBUTION TO AUSTRALIA'S ECONOMIC, SOCIAL AND CULTURAL CAPITAL

7.1 Knowledge transfer and community engagement

Knowledge transfer and community engagement functions are legitimate and appropriate for contemporary higher education institutions. In many respects, community engagement can be seen as a natural extension of universities' core activities of teaching, scholarship and research.

A number of university activities discussed in this submission would fall broadly under the definition of community engagement, in particular where it advocates for better collaboration around knowledge and skills development to support key services in health and education, business and industry and innovation.

The NSW Government, through its relevant agencies, already collaborates with

universities in a range of initiatives across education and training, health, primary industry and science and medical research. The Government is open to further engagement where initiatives are of mutual benefit, and particularly where they support State Plan priorities and the Government's Innovation Strategy.

Community engagement is especially significant for regional universities and those with non-metropolitan campuses engaged in regional development initiatives. Universities are central to the viability of regional communities. It is therefore important that these institutions have the capability to remain sustainable themselves and to provide sustained long term community linkages.

These institutions have a role in the creation of new businesses and research, provision of infrastructure such as libraries, performing arts and sporting facilities and of social and cultural activities in regional areas.

They also have a role in creating and retaining a highly skilled workforce with relevant skills for the local business community. Retaining skilled professionals in regional areas is critical to the provision of essential services, especially in critical areas such as health services. It can also be a major component of strategies to increase population growth by ensuring that new development has access to sources of skill and innovation.

The extent and focus of community engagement is one way in which greater differentiation in the missions of higher education institutions may be achieved. Universities should have the resource capacity to seek out opportunities where synergies exist between a university's areas of strength, and a community's needs and interests.

However there are often limited resources, and hence limited incentives, for institutions, staff and community groups themselves to engage in third stream activities. Clearer policy direction and access to appropriate resources, including incentives to generate partnerships and co-funding, are needed to enable sustained engagement.

Recommendations

That the Review recommend:

13. Recognition of knowledge transfer and community engagement as essential functions for higher education, supported with Commonwealth funding incentives to enable sustained collaboration with communities.

8 RESOURCING THE SYSTEM

Over the past twenty years the sector has markedly, although not uniformly, reduced its reliance on government funding and is increasingly becoming an industry in its own right. There is a growing private sector and increasing private activity in universities.

The level of public funding for higher education has declined over the past decade, while the contribution made by students to the costs of higher education has increased substantially. In an increasingly competitive environment some universities are better geared to manage and grow with less dependence on government funds than others.

8.1 Commonwealth funding

Despite the changing nature of the higher education sector, the Commonwealth has been largely responsible for funding the sector since a 1974 Commonwealth –State agreement. This was reaffirmed in 1991 by agreement at Ministerial level (*The 1991 Commonwealth – State Agreement on Higher Education*) and should continue.

The significant decline in funding in recent years must be addressed by the Commonwealth if the sector is to maintain the high standards for which Australian higher education is known internationally.

The recent Federal Budget initiatives for resourcing the sector are welcome and show signs of flexibility and long term sustainability in the way funding is to be made available. They include the reshaping of HEEF into the EIF; the \$500 million one-off contribution for university infrastructure; additional Commonwealth-supported places in priority areas and to replace full-fee places; and reduced HECS-HELP for mathematics and science.

8.2 NSW Government support

While higher education funding is a Commonwealth responsibility, New South Wales provides significant funding and equivalent contributions to its universities for specific initiatives. Some recent examples include:

- \$50 million over four years from NSW Health for a joint medical program involving the Universities of Newcastle and New England, and Hunter–New England Health;
- \$1.2 million for the NSW Rural Allied Health Scholarships Program, to encourage recruitment and retention of Allied Health clinicians across rural NSW
- \$4.4 million from the NSW Cancer Institute to fund four professional positions in radiation oncology at The University of Sydney (2), University of New South Wales (1) and the University of Wollongong (1)
- \$450,000 to establish the University of Technology, Sydney’s ‘Design Out Crime Research Centre’ focusing on crime prevention through urban design
- \$20 million towards a new national HIV research institute involving the University of NSW
- \$15 million towards a medical research institute at the University of Wollongong
- \$250,000 for a new Chair of Engineering Innovation at the University of Sydney, which will facilitate the commercial application of science
- \$485,000 for the establishment of a NSW Chief Scientist and Engineer position to consolidate the State’s strength in scientific research and science related innovation
- \$40 million through the NSW Government Science Leveraging Fund for industry accessible and partnered investment in research at universities and institutes under the Australian Research Council Centre of Excellence, Cooperative Research Centre and National Collaborative Research Infrastructure Strategy programs.

- \$18 million in-kind support from NSW Health for the establishment of a medical school at the University of Western Sydney

The State's contributions to the higher education sector are substantial, both direct support as detailed above, and in-kind, though they are generally underestimated and under-reported. Most NSW universities occupy land given to them by the NSW Government for nominal amounts or leased at peppercorn rent, for example. The market value of this land is significant.

Much State support is hidden because it is not captured in annual statistics. This is a point made in the support document for the Commonwealth's 2005 discussion paper *Building Better Foundations*, which states that: "[i]n general, the States' contributions have been in-kind, for example through land grants, while the Commonwealth's contributions have been financial, through direct capital funding. As a result the full contribution of the States to higher education finances is not captured in annual revenue statistics."¹²

8.3 Future resourcing priorities

By whatever means the Commonwealth is to fund institutions in future, whether through mission-based compacts or otherwise, and whether directly or through an intermediary body with funding responsibility, the following general principles should be considered:

- Universities require a secure financial base from which to operate, one that is long term, assured and sustainable.
- Allocation of public funding should be through a process that is equitable across the whole sector.
- Universities should be funded in ways that enable them to focus on their strengths while not compromising their capacity to provide comprehensive higher education for their communities.
- While recognising the need for diversity, the higher education system as a whole must remain a quality system, with the needs of newer, regional and outer-metropolitan universities recognised and supported as strongly as long-established, metropolitan universities.
- The funding of higher education places through HECS-HELP and Commonwealth dollars should always be balanced to adequately reflect private and public benefits of the particular teaching discipline area.
- Generally, more Commonwealth funding per student place is necessary because there has been a decline from \$11,525 in 1989 to \$9,998 in 2006 in real terms.¹³
- Indexation of Commonwealth grants should be reinstated to ensure that the value of funding per student place does not erode over time.

¹² G. Craven, D. Phillips and P. Wade, *Regulatory Frameworks and Government Responsibilities for a Diverse Higher Education Industry*, supplementary document to *Building Better Foundations for Higher Education in Australia*, Australian Government, DEST, March 2005: p.4.

¹³ In this regard, NSW notes, for example, that the 2007 House of Representatives Standing Committee Inquiry into Teacher Education, *Top of the Class*, recommended an increase in the Commonwealth contribution amount per Full Time Student Load for education courses from \$7251 to \$9037.

- All universities should be funded to ensure that they can maintain a viable research function, as well as adequate funding for their teaching and scholarship functions.
- Allocated funding should recognise the cost to institutions of providing the funded service or function. For example: if it is research, it should meet all the costs necessary to conduct the research; if it is teacher education, it should adequately support the costs of providing a quality practicum component; if it is health education, it should provide for optimal clinical placement experiences by enabling the use of simulation and the broader application of educational technology.
- Commonwealth funding should be available to institutions, and targeted through accountability and reporting requirements, to serve as an incentive to achieve key national priorities: these should include workforce priorities; priorities to improve low SES and Indigenous participation; teacher quality; leveraging increased funding from business and industry; and credit transfer and articulation between sectors.
- Funding arrangements will also need to provide for any initiatives designed to bring about a closer relationship between higher education and the vocational education and training sector. These should include incentives for credit transfer and the development of integrated joint qualifications and may also need to cover the elimination of inconsistencies in the application of income contingent loan schemes and other matters.

Recommendations

That the Review recommend:

14. The general principles identified in this submission to achieve an ongoing and equitable approach to funding across the sector through the Commonwealth's higher education funding model and future funding processes.

In particular, account should be taken of the circumstances and requirements of rural, regional and outer metropolitan universities in comprehensively meeting the needs of their students and communities and their contribution to local economies.

9 GOVERNANCE AND REGULATION

9.1 Existing regulatory arrangements

Regulatory arrangements across the whole sector are complex. Institutions increasingly seek to operate across state boundaries, in more than one education sector and a growing number want to operate offshore. There is considerable room in this mix of arrangements for greater efficiency and better streamlining to reduce the level of red tape and to have a clearer focus on the responsibility of providers to ensure quality.

Once mainly state-based operations, many universities and non self-accrediting institutions now operate campuses across the nation and are increasingly subject to multiple regulators assessing their institutional status, their provision for international students, and their courses.

The current arrangements comprise:

- nine state, territory and Commonwealth agencies are registering institutions and accrediting courses
- a separate regulatory system for overseas students studying in Australia also administered by nine agencies
- different arrangements relating to offshore approvals, all involving nine agencies
- a separate regulatory system for non self-accrediting institutions accessing FEE-HELP that overlaps with the state/territory accreditation functions
- various national and state professional registration requirements that individual courses may also need to satisfy.

Fifty-five non self-accrediting higher education institutions are approved to provide their accredited courses in New South Wales. Forty-nine of these are registered in New South Wales, while the other six have been registered in other States and approved in New South Wales through mutual recognition arrangements.¹⁴

Nationally there are approximately 130 registered non self-accrediting higher education institutions. A small number of these (for example, the Sydney College of Divinity and the Australian College of Theology) deliver their accredited courses through other institutions (their agents). Sixteen institutions operate through mutual recognition in secondary jurisdictions (nine of these are based in New South Wales, three in Victoria and Queensland and one in South Australia).

Universities are increasingly engaging in profit-making ventures and establishing private entities under the aegis of the parent institution. With the continuing growth of private higher education institutions and numbers of overseas students studying in Australia, or with Australian providers operating offshore, it is timely to assess the efficiency and effectiveness of the current regulatory framework.

As the higher education sector continues to grow and diversify, the challenges of effective regulation will become even more complex.

9.2 Key issues

There are four broad areas where the regulatory balance in the sector is not right currently. These are:

- financial regulation and reporting for universities
- regulation of the non self-accrediting sector
- regulation of international students
- quality assurance arrangements for the sector.

University financial regulation and reporting

There is room for closer cooperative regulation with the Commonwealth around university financial regulation and annual reporting, given the Commonwealth's funding role and its capacity for intervention in university financial matters.

¹⁴ In comparison, Queensland, for example, has approximately half the number of non self-accrediting providers as NSW and half of the Queensland providers have their primary registration in another jurisdiction.

Better alignment is required between the Commonwealth and the states to improve effectiveness in this area and remove duplication. Key issues are:

- The Commonwealth and the states would benefit from a clearer definition of their respective roles, financial responsibilities, and authority and capacity to intervene, as required, in university financial matters.
- Any changes should ensure that benefits are delivered to universities, students, employers, and research and industry bodies without adding extra burdens on the sector.
- Any reallocation or realignment of roles should aim to improve the monitoring of new commercial activities undertaken by universities, and reduce the risk associated with initiatives that use private equity or finance.

It is noted that MCEETYA agreed, at its meeting in April 2007, to facilitate a dialogue between Commonwealth, state and territory education authorities, Auditors-General and other relevant stakeholders on a national approach to audit financial and risk management arrangements within universities, particularly in respect of areas involving financial risk.

Further work in this direction is supported. New South Wales would be interested in discussing with the Commonwealth how a more effective alignment of responsibilities for university financial regulation and reporting could better support institutions by improving monitoring, risk management and reporting.

Regulation of the non self-accrediting sector

There is a strong case for further innovation in approaches that would help to minimise duplication and red tape and streamline the regulatory processes across the country for this segment of the sector in particular. While there have been significant efforts made to better harmonise and streamline existing arrangements nationally, these are still impeded by overlapping jurisdictional responsibilities and requirements.

Some key issues are:

- Mutual recognition arrangements between states and territories are not, in reality, “mutual recognition” because some mutual recognition practices still involve duplication of an institution’s initial assessment and undertake an in-depth assessment when a lighter touch is more appropriate in the circumstances
- The introduction of FEE-HELP to the non self-accrediting sector, while welcome, has introduced a new set of requirements and accountabilities into areas already covered by state and territory registration. For instance, institutions are required to meet the governance, financial accountability and annual reporting requirements of the Commonwealth which are similar but different to the requirements of state accrediting agencies
- While national guidelines are now used by all jurisdictions for registration and accreditation, accompanied by national applications forms, there will continue to be some differences in implementation between jurisdictions
- A nationally consistent approach needs to have a continuing focus on the following regulatory principles endorsed by the Australian Education Officials Systems Committee (AESOC) in December 2006:

- Implementing the minimum degree of regulation that achieves the purpose
- Emphasising maximum efficiency in the use of public resources
- Considering where appropriate full-cost recovery to encourage streamlining
- Reducing the duplication of effort between and within jurisdictions
- Particularly considering options for industry-led and more market-based frameworks
- Consider where appropriate moving to outcomes focused regulation
- Taking a risk-based approach
- Consistency with existing national regulatory standards
- Regular review

Regulation of provision for international students

As indicated in the earlier reference in this submission to internationalisation, the regulation of international higher education provision by Australian higher education institutions, both onshore and offshore, needs further attention. Onshore and offshore regulation areas are currently dealt with as separate regulatory domains. These should be brought together into a more coherent policy and regulatory framework.

There is a lack of clarity still in the shared responsibilities the Commonwealth and states/territories have under the ESOS Act. Institutions are being concurrently regulated by states and territories on the one hand and the Commonwealth on the other in relation to the *National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students* which supports the implementation of the ESOS Act.

Under the revised National Protocols for Higher Education Approval Processes, state and territory accrediting agencies are responsible for approving non self-accrediting higher education institutions to offer their accredited courses offshore. The Commonwealth also has a role through its Transnational Quality Strategy initiative. Offshore regulation, as it is currently conceptualised, has the potential to have nine jurisdictions responsible for separate regulation activities and institutional audits operating in the same country.

Quality assurance arrangements must be stronger in this area particularly given that it is an important revenue source for both public and private institutions. Current state and territory approval processes for approval to operate (institutional registration, course accreditation and CRICOS approval) cannot be expected to function as de facto quality assurance processes for the non self-accrediting sector.

9.3 Quality assurance arrangements for the sector

The three arms of the quality framework in force since 2000 (National Protocols, Australian Qualifications Framework and the Australian Universities Quality Agency) have been operating with limited integration and without consistent application across the sector.

National Protocols

The recently revised National Protocols have been agreed on nationally and supplemented with a set of National Guidelines. It is generally accepted that the

National Protocols and Guidelines are useful in establishing the criteria and requirements for higher education institutions and accredited courses. There remains the potential for variation to emerge over time as they are implemented within nine jurisdictions.

Australian Qualifications Framework (AQF)

The AQF does not adequately establish the required standards and benchmarks for higher education courses and is not currently adhered to by all higher education institutions. The AQF should provide clear standards to underpin a quality assurance framework that would be applied right across the Australian higher education sector. The AQF is currently not able to provide the required guidance to university academic boards, higher education institutions, or to state accrediting agencies and the panels appointed to assess applications for course accreditation.

Australian Universities Quality Agency (AUQA)

In its first cycle of audits, AUQA was not charged under its charter with direct quality assurance of student learning standards, but rather with a type of meta-quality assurance focused on assessing institutions' quality assurance processes and compliance with those processes. Its second-cycle mission and objectives have moved towards assessment of academic standards and outcomes and reporting on these. The current thematic focus on provision for international students is welcome.

Quality assurance for the Australian higher education sector in future would benefit from a shift towards a focus on standards. This should be accompanied by mechanisms that allow for a risk-based approach where particular institutions or operations within institutions can be targeted, if required, more immediately than is possible within the current cyclical audit program.

Recommendations

That the Review recommend:

15. The continued work between the Commonwealth, States and Territories for the implementation of further efficiency and effectiveness in:
 - university financial regulation and reporting
 - regulation of the non self-accrediting sector
 - regulation of provision for international students onshore and offshore
 - quality assurance of higher education across the sector.

CLINICAL EDUCATION FOR THE AUSTRALIAN HEALTH WORKFORCE

Clinical education is an essential element of all undergraduate health professional education and clinical placement in health care facilities is an important aspect in the preparation of the future health workforce. However, there is need for a critical examination of the purpose, duration and outcomes of clinical placement in undergraduate health professional curricula.

The context of health work is dynamic and complex. The nature of clinical placement is dependent upon variables such as case mix and presentation, skill mix, the availability and quality of clinical teachers and the learner's response to the setting and clientele.

The importance of clinical education is often implicitly measured in terms of its duration. Assumptions are made that the longer the placement the more learning, or reinforcement of existing learning, occurs and the greater the chance of socialisation and acclimatisation to the particular profession.

Despite the unpredictability of the context with respect to the availability of particular suites of cases and experiences, curricula continue to emphasise the importance of clinical placements in ensuring that the students meet prescribed learning outcomes even when many students may have achieved a level of competence in the simulated environment.

Additionally, students and professionals place considerable importance on clinical placement *experience*, although there is increasing evidence to suggest that the actual learning environment may not be well aligned to the desired one, that there is varying opportunity to practise meaningful professional level activities and processes to reinforce what is learnt and that there is inefficient use of clinical placement time.

There is also anecdotal evidence to suggest that education providers promote clinical experiences in curricula as a competitive advantage and actively promote the duration of placements as a key element of their programs in an increasingly saturated and thus competitive market. On occasion, it would appear that clinical placement hours alone are seen to be criteria for competitive advantage rather than excellence in program outcomes and graduate attributes by students, the community and the professions.

Nationally, the National Health Workforce Taskforce (NHWT) has been established and five streams of activity have been identified initially to progress work pertinent to the interface between education providers and the health sector:

- clinical training demand and capacity
- funding policy and responsibilities
- new models and locations for clinical training
- governance, organisation and planning relationships between universities, health services and jurisdictions
- quality, efficiency and effectiveness of clinical training.

General comments that can be made about clinical education in undergraduate health professional education are:

- Models of clinical education and assessment have been slow to evolve, are discipline specific and tend to be uni-dimensional in their assessment of competence
- There is significant opportunity for innovation in clinical learning during clinical placement such as the definition of generic learning outcomes, the use of inter-professional supervision, peer placements which emphasise the importance of client centred care and multi-professional teams and senior–junior student mentoring
- There is an urgent need to invest in simulation and virtual environments in health professional education
- There is need for greater clarity with regard to professional bodies’ demands for clinical hours in programs and some of these expectations have yet to be challenged
- Where there is potential to maximise clinical placement opportunities, especially in rural and regional settings, there are a range of constraints such as availability of supervisors, transport and accommodation problems and challenges for students regarding their personal safety and circumstances such as family and part time work commitments.

The manner in which health services are delivered in the 21st century would seem inconsistent with the traditional apprenticeship model, which forms the basis of many current clinical placements. The drivers of this change include:

- increased emphasis on evidence-based practice
- growth of the empowered health consumer
- safety and quality concerns
- delivery of services in different settings (primary versus acute care)
- increase in people living with chronic and complex conditions
- shorter length of bed stays for most clientele.

Given the influence these drivers have on service delivery, changes in approaches to clinical education may be necessary. For example, universities may be required to operate more creatively within the principles of national recognition including the recognition of prior placement or work experience as a way to reduce clinical placement demand.

INTEGRATED PATHWAYS DEVELOPED BY TAFE NSW WITH UNIVERSITIES

Integrated pathways are characterised by:

- close collaboration of TAFE and university staff and formal partnerships at the local level from inception and planning of course provision
- identification of pathways that extend across both sectors
- design and delivery that acknowledges the strengths and resources of both sectors
- programs that offer students up to three qualifications in reduced time
- incentives for students to continue from vocational education and training to complete degree courses.

Examples of integrated pathways programs

1. TAFE NSW – Hunter Institute and the University of Newcastle Industrial Design

In July 2005, staff teaching Industrial Design at the University of Newcastle and TAFE NSW – Hunter Institute recast the Industrial Design program to be jointly offered by both organisations. The primary objective was to match the learning requirements of students to the optimum learning environment that could be provided, drawing on the resources available in both organisations.

The program provides an integrated pathway that has exit points at Diploma, Advanced Diploma and Degree levels. Classes began at Hunter Institute in 2006 and those students will pass from the Hunter Institute to University at the beginning of 2009. The quality of student work has been monitored regularly and is, at this point, exceeding expectations, foreshadowing an excellent outcome for the first graduating year in 2009.

2. TAFE NSW – Illawarra Institute and University of Wollongong Tourism and Hospitality

The Illawarra Institute and the University of Wollongong commenced delivery of a joint Bachelor of Business Administration (Hospitality) / Diploma of Hospitality Management qualification in 2002. The program is delivered jointly by both institutions with completion of both qualifications over a three year period. The Illawarra Institute delivers 75% of the program in year 1; approximately 50% is delivered by each institution in year 2; and 100% is delivered by the University of Wollongong in Year 3.

The program provides unique features unlike other full degree programs, with the emphasis on development of ‘hands on’ hospitality management skills in both simulated and intensive ‘workplace based learning’ projects.

Approximately 90% of students undertaking the program have attained their first job within the hospitality industry within six weeks of commencing the program. Several students from the initial cohort of students who graduated at the end of 2004 have attained positions in Europe and the United States and almost all currently hold middle

management positions in both local and national hospitality establishments. The program has been expanded to offer additional joint programs in tourism and events management.

3. TAFE NSW – Riverina Institute, La Trobe University and NSW Board of Studies Nursing

TAFE NSW Institutes also negotiate formal partnerships and agreements to create a sustainable for further program development.

A nursing studies pathway has been developed for senior secondary school students. It involves Year 11 students undertaking competencies in the Certificate III Health Services Assistance (Assisting in Nursing Work in Acute Care) at TAFE NSW. A 35 hour work placement component is provided by Greater Southern Area Health. This program contributes as 3 units of study towards the Higher School Certificate. In Year 12, the students enrol in 2 subjects in the La Trobe University Bachelor of Registered Nursing. This pattern of study provides 2 units of study towards the Higher School Certificate. The outcome for the TAFE component is a Certificate III qualification and advanced standing into the Certificate IV in Enrolled Nursing. The outcome for the university component is advanced standing in all undergraduate health programs offered by La Trobe University.

4. TAFE NSW – Hunter, New England and North Coast Institutes and University of Newcastle

A TAFE University Coordination Committee has primary responsibility to foster and advise on opportunities for educational collaboration and innovation between the University and the Institutes in the Hunter, Central Coast, New England and North Coast regions including:

- the development, monitoring, reporting and improvement of credit transfer and articulation arrangements for award holders in each sector wishing to continue with study in the other sector
- the development, monitoring and reporting of new initiatives in teaching and learning across the sectors, including the creation of new program structures which provide for multiple entry and exit pathways along a continuum which involves both TAFE awards and University awards
- the exploration of other areas of potential cooperation between the University and the Institutes, including:
 - a) the shared use of teaching and learning resources and infrastructure
 - b) the development of joint marketing strategies
 - c) the development of funding submissions for initiatives across the sectors.

5. TAFE NSW – Riverina Institute and regional universities (including Charles Sturt University, University of Canberra and La Trobe University)

Memoranda of Understanding have been the precursors to a range of specific program initiatives: promotion of articulation between sectors, enhanced credit pathways, joint ventures, supported international student placements, integrated diploma /degree programs, opportunities to develop new modes of delivery to support rurally isolated communities, and opportunities for students to save on tertiary fees and stay in the local area.

A range of integrated programs are being offered by TAFE NSW – Riverina Institute in partnership with Charles Sturt University in:

- Business (Griffith and Wagga Wagga)
- Information Technology (Wagga and Albury)
- Community Services / Social Work (Deniliquin)
- Fine Arts (WaggaWagga)
- Multimedia (Wagga Wagga).

6. TAFE NSW – New England Institute and University of New England Memorandum of Understanding

This Memorandum provides the framework for cooperation, wherever possible, between UNE and TAFE NSW – New England Institute in the planning, development, promotion and provision of education and training programs. It addresses facility utilisation, research collaboration, staff development and cooperative use of resources.

Other integrated pathway programs

TAFE NSW – Sydney Institute and University of Ballarat

Bachelor of Applied Management and Bachelor of Hospitality Management
Delivered on campus at TAFE NSW – Sydney Institute. Any TAFE graduate with an Advanced Diploma can enter the 3rd year of either nominated Bachelor Degree.

TAFE NSW – Sydney Institute, Northern Sydney Institute and University of Western Sydney

Diploma in Financial Services (Financial Planning)
Bachelor of Financial Advising
Guaranteed offer in the preliminary round for TAFE graduates along with substantial credit

TAFE NSW – Sydney Institute and Charles Sturt University

Graduate Certificate, Graduate Diploma and Masters Programs delivered by Sydney Institute.

TAFE NSW – Sydney Institute and University of Wollongong

Diploma of Hospitality Management
Bachelor of Business Administration
Diploma of Events Management
Bachelor of Events Management
Currently researching expansion to disciplines such as Welfare and Health and Recreation.

TAFE NSW – Western Sydney Institute and the University of Ballarat

Advanced Diploma of Business Management
Diploma of Project Management
Graduate Certificate in Management

TAFE NSW – Hunter Institute and University of Newcastle

Certificate in Children's Services
Bachelor of Early Childhood Teaching

Information Technology (TAFE Delivered Vocational Education and Training in Schools)
Bachelor of Information Technology

TAFE NSW – Northern Sydney Institute and Macquarie University

Certificate IV in Tourism (Operations)

TAFE NSW – Northern Sydney Institute graduates of this course also have exclusive access to apply for the Bachelor of Business Administration (BBA)–TAFE Entry Program at Macquarie University.

TAFE NSW – Western Institute and Charles Sturt University

Diploma of Community Services (Welfare)

Bachelor of Social Work

TAFE NSW – North Coast Institute and Southern Cross University

Certificate III in Aged Care

Graduates guaranteed place in the Bachelor of Nursing

Diploma in IT (Systems Administration)

Graduates guaranteed place in the Bachelor of Applied Information Technology

TAFE NSW – Illawarra Institute and University of Wollongong

Certificate IV in Communications and Media

Graduates guaranteed place into the University of Wollongong's Bachelor of Arts, Communication and Creative Arts

Advanced Diploma of Tourism Management

Bachelor of Business Administration (Tourism)

Diploma of Events Management

Bachelor of Business Administration (Events Management)

Diploma of Aboriginal and Torres Strait Islander Health

Bachelor of Health Science (Indigenous Health Studies)

Diploma of Digital Media

Bachelor of Digital Media

TAFE NSW – Illawarra Institute and Charles Sturt University

Graduate Certificate in Management

Graduate Diploma in Management

Master in Management