**HOW THE REVIEW OF AUSTRALIAN HIGHER EDUCATION WILL IMPACT ON INSTITUTES – HIGHER EDUCATION AND VET.**


To represent our members, ACPET will be submitting a full response to the final report before the end of January 2009. This response follows the substantial submission in July 2008 to the earlier discussion paper. As an immediate service to members, ACPET has completed a brief overview (below) of the impact the listed recommendations and targets may have on institutes whether operating in higher education and/or vocational education and training (VET).

*Why was this review needed?*

Australia will need more well-qualified people if it is to anticipate and meet the demands of a rapidly moving global economy. Australia has been losing ground. Within the OECD we are now 9th out of 30 in the proportion of our population aged 25 to 34 years with such qualifications. Twenty nine per cent of our 25- to 34-year-olds have degree-level qualifications but in other OECD countries targets of up to 50 per cent have already been set. It is important for Australia to act now.

*The ‘Package of Reforms’*

To achieve a national target of 40% of 25- to 34-year-olds with a bachelor-level qualification by 2020 which is a substantial increase from the current total of 29%, the report has put forward a package of reforms to achieve the following outcomes:

**Targets**

- national targets for attainment of degree qualifications and for participation of low socio-economic status students will be set and institution-specific targets for participation and performance established and monitored; and
- targets will be set to enable national benchmarking against other OECD countries to track system quality and performance.

**Students and funding**

- all qualified students will receive an entitlement for a Commonwealth subsidised higher education place;
- students will have a choice of where to study at recognised institutions;
- funding will follow the student;
- institutions will have freedom to enrol as many students as they wish;
- funding for teaching will be increased;
- funding for low socio-economic status students will be significantly increased;
- funding for provision in regional and rural areas will be increased; and
- levels of student financial support will be increased and eligibility made fairer based on need.

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Institutions

- all higher education institutions, including universities, will be accredited;
- criteria for the title of university and for the right to offer research degrees will be tightened;
- a proportion of the funds allocated to institutions will be allocated on the basis of performance against specific targets for teaching and equity;
- funds for research will be increased to more fairly reflect costs; and
- funds will be made available to assist institutions to make structural changes.

The national framework

- accountability will be simplified and streamlined to allow each institution to play to its strengths;
- the Australian Government will assume the primary funding and overall regulatory responsibility for tertiary education;
- the Australian Government will establish an independent national tertiary education regulatory body; and
- the Australian Government will progressively extend the tertiary entitlement to the vocational education and training (VET) sector commencing with higher level VET qualifications.

ACPET's view on how this package will affect the institutes?

In order for Australia to achieve the targets stated in this report, it will be necessary that institutes are not differentiated on the basis of their public or private business model with performance being the key test. To increase the proportion of the population attaining a higher education qualification, one tertiary system with a continuum of qualifications, across higher education and VET, is needed.

Private institutes currently educate some 9 per cent of the equivalent full-time student load in Australia. A substantial proportion of the Australian education export industry has been built by private sector enterprises, and arguably much of the diversity of Australia’s current higher education system has developed through the initiative of these institutes. It will be important to develop innovative programs utilizing quality features from higher education and VET aligned to skills development in ways that are efficient and fit for purpose to meet the needs of both individuals and the economy.

NB: The references below (recommendations) do not cover the full list of recommendations but rather those recommendations with most significance to ACPET members.

Targets

Reference – Rec. 2, 4, 16, 31 and Ch. 3.1, 3.2, 3.7 & 4.2
For Australia to reach these targets it will be important that tertiary education provision (higher education and VET) is offered by a range of institutes (public and private). An important part of reaching these targets is to improve participation from under-represented groups (low socio-economic, indigenous, regional and remote) and to improve student income support systems.

For the institutes - it will be important for institutes to start gathering data ie: student demographic, completion rates and destinations, which can be used to benchmark performance against current publicly funded institutes. This information can be used to show that the privately owned institute is positioned to respond quickly to client needs and help reach these targets.
Students and Funding

Reference – Rec. 5, 25, 26, 29, 31, 37, 44 & 45 and Ch. 3.2, 3.2, 4.2 & 4.3

A more deregulated system is welcomed because with funding following the student, the student can choose where to study. This will also allow institutions the freedom to set enrolment numbers. The payment of a loading to institutions to improve the participation of under-represented groups is better directed. The introduction of a tertiary entitlement funding model (as per the Victorian reforms) has been recommended across both higher education and VET. Income contingent loan schemes will continue with plans for extension to students enrolled in VET diplomas and advanced diplomas.

For the institutes – it will be important for institutes to look at the enrolment processes which will be applied initially to public universities (Table A) so that when the demand-driven entitlement system for domestic higher education students is expanded, institutes are ready to handle this type of enrolment ie: student voucher system. Providers need to be aware that there will be an increase to 25% for the loan fee for FEE-HELP for fee-paying undergraduate students. Institutes need to look at the demographics of their students to determine the percentage of students from under-represented groups. Knowing the demographic of the student population prior to changes taking effect will position the institutes to demonstrate quality practices used with students from these groups.

Institutions
Reference – Rec. 7, 19, 16, 23 and Ch. 4.1

The development of one framework for accreditation, quality assurance and regulation should help to streamline and simplify processes. Measurement and benchmarking of performance is recommended but this will need to be done without creating additional administrative burdens. The measurement of outcomes based on teaching and research will help to ensure that funding is directed to providers delivering quality services. The targeting of research funding towards areas of teaching by the provider should ensure more value for the dollars expended on research and a direct link to improvement in the quality of learning and teaching.

For the institutes – institutes need to start reviewing the quality of indicators and instruments they currently use to measure and compare learning outcomes including how they currently use the Graduate Destination Survey, Course Experience Questionnaire and the Australasian Survey of Student Engagement as these surveys have been recommended for annual reporting. Providers could also look to identify possible areas of research which would assist them to improve the quality of teaching and learning practices and therefore improve student outcomes ie: higher completion rates, workforce destinations.

The national framework
Reference – Rec. 11, 12, 20, 21, 22, 42, 43, 44, 45 and Ch. 3.6, 4.1 & 4.3

The use of one level for funding and regulatory responsibility for tertiary education (higher education and VET) and the establishment of one independent national tertiary education regulatory body across higher education and VET should help to simplify accountability requirements and streamline regulatory processes.

For the institutes – streamlining and simplifying regulatory processes will assist the institutes to channel resources currently spent on burdensome practices into core business areas of teaching and learning. It is important for institutes to provide input on any further developments in this area to ensure that any good practice by State/Territory departments can be encased into the one regulatory body.