

Australian Universities Accord Final Report

On the 25th of February 2024, Minister for Education Jason Clare released the Australian Universities Accords final report, billing it as the map to invest in Australia's higher education system for decades to come.

Following the release of the interim report in July 2023, 47 recommendations are contained in the report that is designed to improve the quality, accessibility, affordability, and sustainability of higher education to create a long-term reform plan for the sector to meet the nation's future skills needs. This brief outlines the key recommendations from the report.

History of the Accords

Invoked by the name of the *Prices and Incomes Accord* negotiated by the Hawke Government, the Universities Accord was a pre-election commitment in 2021, proposed by Tanya Plibersek to 'seek to end some of the political bickering over higher education policy' through its establishment.

Its purpose was to instead focus on creating lasting reform for the higher education sector when the accord process was established by Clare towards the end of 2022. The process involved more than 820 public submissions and 180 stakeholder meetings, covering topics of student welfare, fees, research and teaching, and international students. Notably, the interim report included the proposal of a levy of international student fees which is missing from the final recommendations.

Higher Education Targets

Ambitious targets are included in the report highlighting the need for momentous change in higher education if Australia wants to have the skills and knowledge needed to support its society and economy.

Targets include:

- Increasing the tertiary education attainment rate from the current 60% to at least 80% of Australians in the workforce by 2050; and
- Increasing the proportion of university-educated Australians aged 25 to 34 from 45% to 55% by 2050; to be achieved by
 - Doubling the number of Commonwealth-supported students at university from 860,000 to 1.8 million by 2050; and the
 - Achievement of 'participation parity' by 2050, in encouraging people from disadvantaged backgrounds to attend university.

Key Recommendations

Meeting Australia's knowledge and skills through reversing the Job Ready Graduates package. The package, which created an inequitable student loan system where students who undertook humanities courses were faced with larger loans and extremely large HELP (High Education Loans Program) debts, found only 1.5% of students changed their course because of the scheme.

The review also recommends;

- An overhaul of the HELP scheme, beginning with Job Ready graduates who have been disadvantaged due to their course choice; student contributions would be changed to reflect future potential earnings; and
- Fairer and simpler indexation through keeping indexation in line with either the consumer price index or wage price index.

Access and opportunity in adjusting youth allowance with the cost-of-living paid placements and lifting social security payments to above the poverty line. In line with this, the review recommends;

- The need for income support payments to be adjusted to prevent cost-of-living pressures deterring people from studying. This would be achieved by increasing the threshold for income parents can earn before affecting Youth Allowance payments, offering pro-rata payments for people who study part-time, and relaxing the criteria for support payments;
- The requirement of workplaces to sign a code of conduct to ensure placements currently needed for many courses are necessary and up to date. Ensuring that any accreditation requirements are evidence-based and proportionate to the gain they provide and that placement requirements ensure that students gain industry-relevant skills and experience without imposing onerous placement length and conditions. This would be achieved through government coverage of placements in sectors where skill shortages are increasing, while public and private sectors would pay for placements in other areas; and
- The introduction of a needs-based funding model that acknowledges the cost of added support needed for under-represented groups in higher education and the locality of the institution they attend and includes bonuses to providers for student completion.

Investment and affordability in committing to increasing university research funding as a proportion of GDP, through recommending;

- The establishment of a new research fund called the Australian Challenges Strategic Fund to reward universities that undertake work in areas of national need; and
- Overturning Australia's unsustainable low spending on research and development - which was sitting at 1.68% of GDP in 2021-22 - through a multi-



agency government strategy holding targets to significantly increase this national research and development spending as a proportion of GDP.

Governance, accountability, and community through legislating a National Duty of Care with a focus on student voice and the establishment of a National Dispute Resolution Scheme to fill the gap for student grievances and complaints, achieved through;

- The proposal of a new Australian Tertiary Education Commission (ATEC) in cooperation with the existing Tertiary Education Quality and Standards Agency (TEQSA) to drive the change in areas of sexual assault and harassment on campus and staffing issues. It would also set pricing and be better resourced to ensure teaching standards, while also including a First Nations Council and a Centre for excellence in higher education and research.

Next Steps

The Accords are a significant step forward in advancing the quality of higher education in Australia. The implementation of the recommendations has the potential to shape the future of Australia's higher education system and contribute to the prosperity and competitiveness of the sector on the global stage.

The government acted immediately on all four recommendations in June of last year when the interim report was released. However, with 47 recommendations to now consider, Clare states that *'you can't do everything at once,'* and that *'we don't have to do everything at once. This is bigger than one budget. Over the course of the next few weeks, we'll work on what items in the report we need to implement first in order to get us on the right path'.* Substantial funding from the government would be required to reshape the sector as needed, with any big spending changes in the industry and the initial financial-related recommendations of the report likely to be announced in the federal budget in May 2024.

For any in-depth details on the reports' recommendations, please reach out to Hawker Britton's Managing Director, Simon Banks, at sbanks@hawkerbritton.com.