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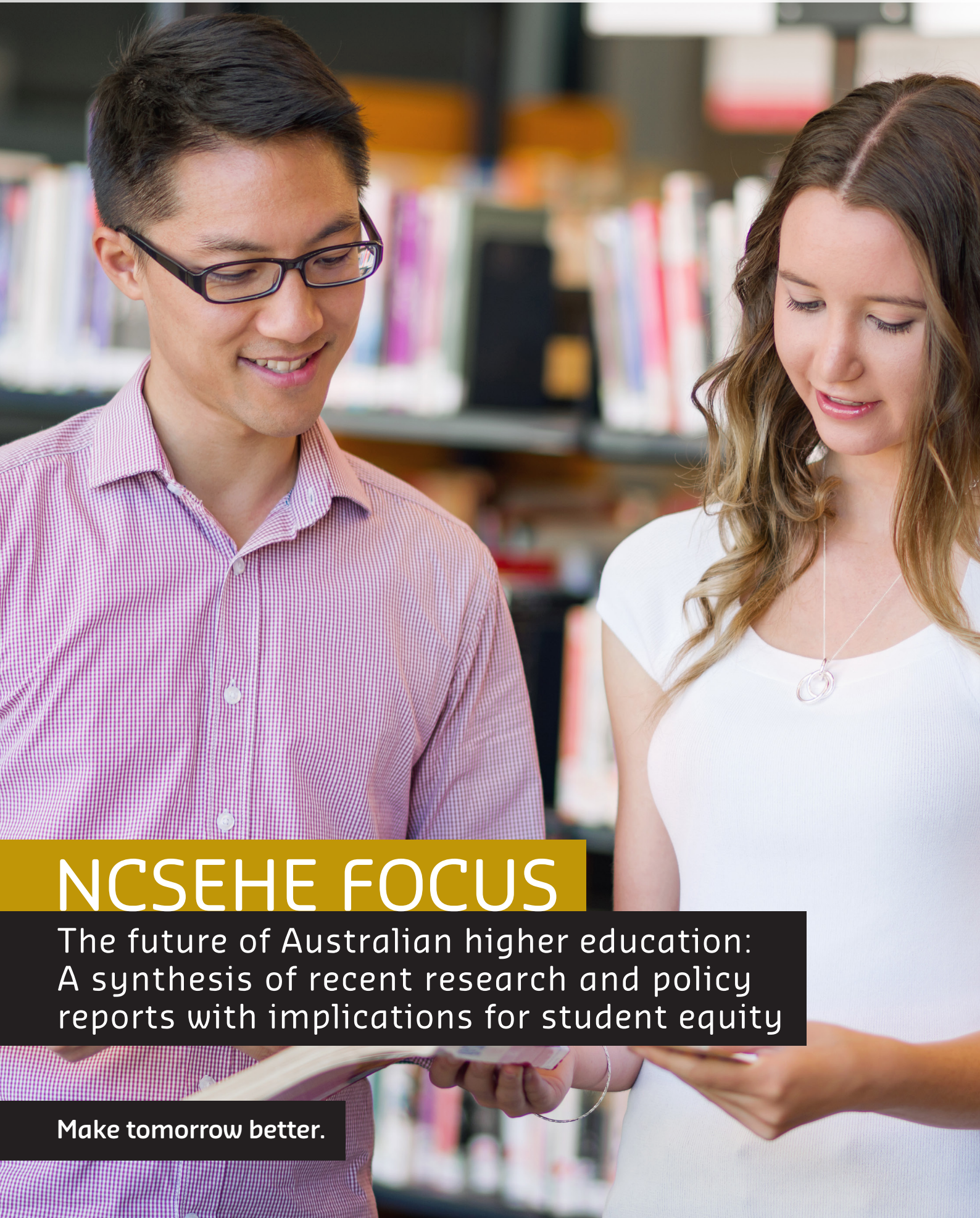

NCSEHE FOCUS

The future of Australian higher education: A synthesis of recent research and policy reports with implications for student equity

Make tomorrow better.

Contents

Introduction 3

Drivers of change in equity in higher education 4

- Macroeconomic trends shaping economic and social inequality and equity 4
- Directions in public policy and public sector management 4
- Market and technology drivers 5

Research and policy reports 6

Future directions 22

- An integrated holistic view of education 22
- A national equity narrative 22
- Measuring performance and outcomes 22
- Courses and qualifications 23
- A framework for equity 23

Bibliography 24

Introduction

There have been growing concerns within Australia and overseas about the way in which economic globalisation and developments in technology are disrupting the economy and society—for both better and worse—often in unpredictable ways.

Within this context, higher education is experiencing significant and rapid changes, the outcomes of which are equally uncertain.

This has raised major challenges in public policy: the role of education and training in a world where the nature of work and skills are changing; the shift of education to a continuous process of lifelong learning rather than focusing on careers that may be obsolete within a decade; whether current educational institutions are capable of adapting to the changes required; the public versus the private costs and benefits of education; and the changing role and character of equity in higher education.

While equity in higher education has seen unprecedented advances over the last decade, there is now less certainty as to whether past trends are any guide to future directions.

In recent years, a number of reports have examined the strategic challenges facing the higher education sector. Some have focused on equity, others have incorporated it to a lesser degree. The reports differ in the scope of their focus and preferred solutions to challenges. As change in higher education unfolds rapidly, we need to ensure that equity issues are understood, communicated and incorporated into change processes.

Fourteen reports have been selected for a synthesised review of the challenges and issues:

- Committee for Economic Development of Australia (CEDA) — *How Unequal? Insights on Inequality* (2018)
- Universities Australia — *Keep It Clever: Policy Statement* (2015)
- Ernst and Young — *Can the Universities of Today Lead Learning for Tomorrow? The University of the Future* (2018)
- Higher Education Standards Panel (HESP) — *Improving Retention, Completion and Success in Higher Education* (2018)
- Australian Council of Social Service (ACOSS) — *Inequality in Australia: A Nation Divided* (2015)
- Business Council of Australia — *Future-Proof: Protecting Australians Through Education and Skills* (2017)
- Commonwealth of Australia — *Independent Review into Regional, Rural and Remote Education: Final Report* (2018)
- Mitchell Institute at Victoria University — *Financing Tertiary Education in Australia: The Reform Imperative and Rethinking Student Entitlements* (2015)
- Grattan Institute — *Dropping Out: The Benefits and Costs of Trying University* (2018)
- Nous Group — *A Performance Framework for Regional Universities* (2018)
- KPMG — *Re-imagining Tertiary Education: From Binary System to Ecosystem* (2018)
- PwC (PricewaterhouseCoopers Consulting) — *Lifelong Skills: Equipping Australians for the Future of Work* (2018)
- Australian Government Department of Education and Training — *Driving Innovation, Fairness and Excellence in Australian Higher Education* (2016)
- National Centre for Student Equity in Higher Education (NCSEHE) — *Equity Performance and Accountability* (2018)

This *Equity Focus* publication comprises three sections:

1. A synthesis of the drivers of change in equity in higher education based on high-level findings from the reports.
2. Summaries of the 14 reports with a focus on key trends, facts, ideas and recommendations.
3. A synthesis of the ways in which higher education may need to evolve to accommodate and resolve the sometimes conflicting pressures for change.

This publication complements the National Centre for Student Equity in Higher Education (NCSEHE) "Student Equity 2030" project — an ongoing process of discussing the future of equity in higher education.

More information on the project is available here: https://www.ncsehe.edu.au/responses-invited-student-equity-2030-discussion-paper-studentequity2030/

Drivers of change in equity

There are numerous high-level drivers of change that are reshaping equity in higher education. The origins of these strategic trends are external to the education sector but education must anticipate and respond to them.

Macroeconomic trends shaping economic and social inequality and equity

Inequality is an economic and social issue of increasing importance that plays directly into the issue of equity in higher education. Widening disparities in income and wealth create increasing relative and absolute poverty, and reduce social mobility and opportunities to participate in higher education. When inequality widens, a child is more likely to be born in poverty; attend less well funded schools; mix with other low SES children and parents; have lower expectations for education and employment; have less cultural capital to navigate the world of education and skilled employment; receive poorer quality advice on career options; and experience poorer employment outcomes.

The challenge for equity is that macroeconomic and wider public policy choices that increase inequality may overwhelm the relatively modest efforts to redress equity in higher education through support programs. Where inequality and inequity become deeply entrenched, the cost of redressing disadvantage is likely to become more difficult and expensive. It's possible that the easy gains in raising participation by equity students have been achieved; marginal improvements may be harder to win. In addition, as governments experience "budgetary stress" with greater competition for public expenditure at a time of pressure to reduce government spending, the positive case for equity in higher education may come under pressure.

This creates questions for public policy on equity. To what extent can the education sector alone redress equity? How can we develop a holistic perspective on disadvantage starting early in life—including early school life—and redress inequity from a broader perspective? Do we need to rethink "success" and develop greater porousness between sectors within tertiary education?

Directions in public policy and public sector management

Financial support for higher education, including the role and standing of equity within it, is shaped by trends in public policy, and more specifically by the evolving perspectives on public sector management and financing. Some of these considerations are set out below and are an "interpretative summarised commentary" of many trends and publications:

- Governments in Australia, and across the world, are battling large budget deficits and seeking to reduce public expenditure and better prioritise expenditure.
- To improve the efficiency and effectiveness of public expenditure, governments are seeking to increase transparency and accountability to get better value for money in all areas.
- The implication is that all public sector functions, such as education, and the agencies that oversee these functions, will have to account for the efficiency and effectiveness of expenditure.
- Equity in higher education will have to justify its substantial claim for public expenditure by demonstrating that equity is strategically important in contributing to Australia's national welfare, and that the "equity budget" is being spent efficiently and effectively through evidence-based research.
- The need for evidence to justify and support policies and programs requires more comprehensive and nationally consistent reporting of information to enable comparisons between institutions and to evaluate the effectiveness of program spending.
- The implication of these trends is that the many "public good" arguments for an equitable higher education sector—such as health; social cohesion; social mobility; and higher productivity—need to be

articulated and communicated into national public policy narratives.
- Another implication is that we need to take a more holistic view of equity in education at all levels, and identify the intervention points that offer maximum leverage for supporting equity.
- Given the complexity of a multitude of factors shaping tertiary education, we need to see a better alignment between different, and sometimes competing, interests so there is a consistency between the public interest and the private interest:

1. Government needs to demonstrate value for money in public expenditure across many areas of public policy that compete for funds.
2. Providers need to be rewarded on the basis of meeting government tertiary education objectives, the needs of cost-conscious individuals who invest in education, and for the efficiency of education services delivery.
3. Individuals require value from a course and an expectation that education is practical and relevant to the emerging world of work.

Market and technology drivers

In recent years there has been an acceleration in the pace of change of developments in technology—particularly digital technology—that are the source of many disruptive trends that are transforming society.

New media and communications channels are changing the way we produce and consume news, information and culture, and the world of work is increasingly driven by new skill sets, casualisation of the workforce, and the shifting trends in a globally-integrated competitive international economy.

While technology has the potential to widely improve educational and employment opportunities, it can also create a "digital divide" that can entrench inequality and inequity.

While there is broad agreement that disruptive strategic trends in technology and work will reshape the future of education, there is debate as to whether existing institutions can sufficiently adapt to change or whether the education sector needs to see more systemic change.

Changes in technology and markets combine to drive change in education, suggesting it may evolve in ways that may not be met by a business as usual approach:
- The education system needs to be more responsive and flexible to changing skill needs, which means a constant focus on upskilling and retraining. Career-oriented multi-year university and VET courses need to be complemented by short-duration skill-specific courses that focus on upskilling.
- While institutions within primary and secondary education, and universities and technical education institutes, may all continue to exist, the relationships between them may need to evolve as education is seen as a more holistic process.
- Consideration needs to be given to new types of credentials: Massive Open Online Courses (MOOCs) that are large-scale and low-cost; micro-credentials which are skill-specific and short-term; and small and stackable units of learning that may count towards a degree.
- In a more diverse, fragmented and changing environment for skills, there may be a stronger case for a more market-oriented framework to better align the demand for skills from employers with the supply of skills from educational institutions. This consumer-centric approach to skills may point towards supporting individuals rather than equity groups through, for example, individual learning accounts, possibly accompanied by quality careers and employment advice.

Research and policy reports

REPORT/SOURCE	YEAR	KEY FOCUS AREAS
Committee for Economic Development of Australia (CEDA) *How Unequal? Insights on Inequality*	2018	• equality promotes a better economy and society, but we need better measures of it • inequality is shaped by education, jobs/careers geography, and by intergenerational and technological considerations • inequity and inequality start early in life.
Universities Australia *Keep It Clever: Policy Statement 2016*	2015	• factors shaping the economy, skills, jobs and education • higher education's contribution to the economy • principles and recommendations for higher education policy settings.
Ernst and Young *Can the Universities of Today Lead Learning for Tomorrow? The University of the Future*	2018	• disruptive economic/technological trends • the future of work • changing skills sets • emerging models for educational institutions.
Higher Education Standards Panel *Improving Retention, Completion and Success in Higher Education*	2018	• attrition rates • student support services • current and emerging trends shaping attrition • recommendations on student support, qualifications, sharing best practice, and enhanced transparency • a common Student Identifer across education.
Australian Council of Social Service (ACOSS) *Inequality in Australia: A Nation Divided*	2015	• inequality shapes inequity in higher education • facts and trends in inequality in Australia • a picture of trends in income and wealth.
Business Council of Australia *Future Proof: Protecting Australians Through Education and Skills*	2017	• the changing skill sets for the economy • a consumer-driven demand for education and skills • changes required from educational institutions • eight proposals for a better integrated tertiary education sector.
Commonwealth of Australia *Independent Review into Regional Rural and Remote Education — Final Report*	2018	• issues, challenges and barriers to higher education in regional, rural and remote students • innovative approaches to student support • recommendations encompass curriculum and assessment • principals and teachers • expanding VET and university pathways • four priority areas nominated.

REPORT/SOURCE	YEAR	KEY FOCUS AREAS
Mitchell Institute *Financing Tertiary Education in Australia: The Reform Imperative and Rethinking Student Entitlements*	2015	• skills development is critical • the divide between VET and higher education is less relevant to Australia's future • the case for a cohesive tertiary education sector, including a more prominent role for VET.
Grattan Institute *Dropping Out: The Benefits and Costs of Trying University*	2018	• attrition rates stable, despite concerns to the contrary • dropping out is not necessarily a problem — there are still benefits to students and society • recommendations on better information and support for students.
Nous Group *A Performance Framework for Regional Universities*	2018	• dangers of linking higher education funding with performance • the unique role of regional universities in community development and adding value to regional areas • a performance framework developed to demonstrate the value of regional universities.
KPMG *Re-imagining Tertiary Education: From Binary System to Ecosystem*	2018	• shift from a binary to an ecosystem for tertiary education around diversity of providers and qualifications in a rapidly changing society • moving beyond the outdated higher education and VET sectors • ten major recommendations proposed.
PwC *Lifelong Skills: Equipping Australians for the Future of Work*	2018	• the future of work and skills • the role of the Australian Technology Network of universities • recommendations in national policy funding, equipping students with enterprise skills, flexible pathway to learning, industry-university collaboration, and access to information and data.
Australian Government Department of Education and Training *Driving Innovation, Fairness and Excellence in Australian Higher Education*	2016	• strategic goals for education in the context of industry, jobs, equality of opportunity, and promoting innovation • higher level policy settings • key financial and economic issues • public policy priorities for higher education.
NCSEHE *Equity Performance and Accountability*	2018	• strengthening equity in higher education through development of an operating framework. • priority areas: refining equity goals; improving information management; embedding student equity goals across the higher education system; and analysing, reporting and communicating outcomes.

Report summaries

Committee for Economic Development of Australia (CEDA) — *How Unequal? Insights on Inequality* (2018)

The report by CEDA begins by noting that there is a growing debate about the benefits of economic growth and its distribution, and the extent to which inequality is increasing in Australia.

These are important issues because significant inequality can weigh on future economic performance and undermine social inclusion.

The report examined:

- the distribution of benefits from Australia's prolonged period of economic growth
- whether inequality has increased in Australia during this period
- where policy interventions could assist.

It is increasingly recognised that disadvantage starts early in life; is closely related to inequality; and that both equity and inequality are multidimensional issues, many of which are beyond the scope of higher education to resolve.

Some key points in the report included:

- A relatively equal and equitable society is good for the economy. A just society, based on the principles of equality, procedural fairness and substantive fairness, raises the economic capacity of a country and any market, but any market-mechanism that addresses public policy issues must incorporate the fundamental equality of all persons.
- We need to produce meaningful measures of economic inequality, how it is measured, and how it is interpreted.
- Education is a critical component of equality. The CEDA report highlighted three areas: educational opportunities; experiences; and outcomes. Three equity groups were seen as particularly important: low SES; Indigenous; and regional and remote.
- Inequality in the workplace is an issue with imbalances or deficits in participation in gender, disability, mental health, disadvantaged youth, and Indigenous Australians.
- Geographic inequality is also an issue as a person's geographic location contributes to their experience of social and economic disadvantage in Australia.
- Intergenerational inequality shapes the cultural capital of individuals and their capacity to develop skills and social mobility. Redressing inequality begins early in life and the imprint of inequality is an ongoing issue.
- Technological inequality is emerging as a bigger issue as people with access to technologies and the skills to use them can be disadvantaged as both "consumers" of technology-rich services or "producers" in technology-rich jobs.

All of these points are major challenges for effectively tackling inequality and they play into equity in higher education.

Universities Australia — *Keep It Clever: Policy Statement 2016* (2015)

In October 2015, Universities Australia continued its engagement in the Australian higher education policy debate with the release of *Keep It Clever: Policy Statement 2016*. The Statement focused on the factors that were driving "seismic economic and social change", provided evidence of the contribution of the Australian higher education sector towards economic development, and made the case for a strong role for universities in a research and technology driven future.

Key points included:

- Australia is entering period of seismic economic and social change in which skills, knowledge and ideas will become our most precious commodities.
- Within two decades, more than 40 per cent of Australian jobs that exist today may disappear as technology reshapes entire industries, professions and work practices.

- As traditional industries recede we will need to generate new jobs and new industries through innovation. Universities will be centre stage in driving this evolution.
- The Statement noted the value of higher education:
  - Australia's 41 universities contributed $25 billion to the economy in 2013 and accounted for 1.5 per cent of GDP.
  - Australian universities educated almost 1.3 million Australian and international students in 2014 and directly employed 120,000 full-time equivalent staff.
  - International education is Australia's third largest export and largest services export, generating revenues of $18 billion in 2014–15. Higher education generates around two-thirds of this revenue.
- Universities Australia produced and elaborated on eight principles for policy settings needed to support a nimble, adaptive and flexible university sector to meet the expectations of its students, the community and employers. These comprised: accessibility; affordability; quality; research capability; resourcing; accountability; autonomy; and policy stability.
- The Statement produced four pathways to achieve their policy objectives, each with recommendations for universities and government:

1. Delivering breakthrough research and innovation:
   - Develop and implement a comprehensive whole-of-government national research and innovation strategy. This would: acknowledge universities as an integral part of Australia's research and innovation system; provide long-term, predictable and secure funding for research; and establish a timetable over five years to increase resources.
   - Make a major step-change commitment to building on existing government programs to achieve greater industry-university engagement and collaboration. This would include plans to: invest in a major technology and innovation program; establish an Innovation Board comprising senior representatives from government, industry and university; create a Student Innovation Fund comprising representatives from government, industry, university and other research organisations to provide strategic leadership in research and innovation; bolster initiatives to increase researcher mobility between universities and industry; and introduce a premium tax concession rate for business collaborating with universities on research and development.
   - Increase funds to support stronger international research collaboration.
2. Deliver high quality graduates:
   - Ensure there is no decline in the level of per student funding for government-supported student places.
   - In the long term, increase the level of public investment to at least the Organisation for Economic Co-operation and Development (OECD) level.
   - Continue to invest in programs that support teaching innovation and excellence.
   - Maintain the integrity and sustainability of the income contingent loan scheme.
3. Deliver opportunity and meet the workforce needs of the future:
   - Retain the demand-driven system and expand it to all university associate degree programs.
   - Work to evolve a seamless, integrated tertiary education system.
   - Provide sufficient funding for programs that seek to lift the participation rates of underrepresented groups by providing support for capable, but academically less well-prepared, students.
4. Deliver global engagement through world-leading education:
   - Fully fund and implement the recommendations of the National Strategy for International Education, particularly in relation to employability of international students, enhancement of the student experience, research excellence, and promotion.
   - Retain the Coordinating Council for International Education as the oversight body for ensuring a whole-of-government policy approach to international education.
   - Increase the level of investment in promoting Australia to international students.
   - Ensure that the quality assurance framework protects the international reputation of Australia's higher education system.
   - Provide adequate funding to support and expand Australia's global research collaboration.

Ernst and Young — *Can the Universities of Today Lead Learning for Tomorrow? The University of the Future* (2018)

Does higher education need a new paradigm to serve Australia's needs in the Transformative Age? This question, raised by Ernst and Young Australia in its 2018 report, *Can the Universities of Today Lead Learning for Tomorrow?*, is based on a view that we have entered a period, like the Industrial Revolution, in which we can expect fundamental shifts in how we live, work and play. The Transformative Age will also change how we learn and, along with it, the nature and role of the university.

The Ernst and Young report cited five disruptive mutually-reinforcing trends driving change:

1. The world of work is changing due to technology-led disruption in which industries are disappearing or emerging. These changes are shaping the nature of employment in the skills required and the terms of employment for individuals. The changing world of work is also changing the skills and capabilities required by employers from the education sector.
2. The blurring of industry boundaries is occurring as technology drives convergence in almost every industry, with disruption reconfiguring value chains. Universities face competitive threats from new entrants, but also the opportunity to collaborate on research and innovation.
3. Evolving digital behaviour is empowering learners by converting them into consumers of educational services. As nearly every consumer of activity shifts to the digital realms of the web, mobile, social, mixed reality and virtual reality, rapidly developing digital culture is creating radically different learning behaviours. This is shaping the way we communicate, consume and produce information; it is also a significant driver of educational institutions.
4. Increasing international competition between countries is taking place in the economic sphere, in trade and investment, which is shaping industries and employment. International competition is also shaping the higher education sector through the development of global knowledge hubs and international students studying overseas, both of which are driving the commercialisation of university activities.
5. The shift to education as a continuous process is changing demand for higher education offerings. Portfolio careers and the need for a workforce agility in the gig economy are increasing the demand for continuous development, requiring learning that is self-directed, affordable, accessible and time critical. Universities will have to change their offerings, they may be joined by private providers, and individuals too will periodically have to re-inform or reinvent themselves in the world of education and skills.

The report found that these trends will prompt a re-evaluation of the business model for higher education. It noted that Australia's universities are monolithic institutions that control all aspects of their teaching and research activities, anchored by physical spaces and time-bound schedules. Digital transformation is challenging this dominant model. As universities evolve from faculty-centred to learner-centric institutions, they may well find it necessary to unbundle their many functions as well as their degree programs to differentiate and maintain competitive advantage.

The Ernst and Young report examined three areas to rethink the business model for universities:

1. How do universities create value?
   - Who are the customers? What do they need to do for them? What products and services are they producing for them? How do customers get the services from universities?
2. How do universities deliver value?
   - How do they produce it? How do they distribute it? How do they support it? Who are their key partners and suppliers?
3. How do universities capture value?
   - What are their major investments? What is their revenue model?

In examining the "university of the future", the Ernst and Young report noted that it will be shaped by two critical uncertainties: the shifting role of government as its hands-on role is modified by market drivers; and evolving learner preferences and the extent to which learners and employers demand traditional or non-traditional solutions from higher education.

Higher Education Standards Panel (HESP) — *Improving Retention, Completion and Success in Higher Education* (2018)

In June 2018, the Australian Government Department of Education and Training released another report by the Higher Education Standards Panel (HESP), *Improving Retention, Completion and Success in Higher Education*, which took a broad view of issues relating to high attrition rates, which had been an area of concern.

The earlier (June 2017) discussion paper that preceded the final report noted that the attrition rate for Australian universities in 2014 was little changed from that in 2005 (15.04 per cent in 2005 and 15.18 per cent in 2014); it also noted that Australia was comparable with the OECD average for completion rates (70 per cent and 69 per cent respectively) in 2014.

In the June 2018 final report, HESP noted that many earlier reports on retentions and completions produced recommendations that included better quality support services, more flexible entry requirements, improved teaching quality and ability, a more supportive institutional environment, monitoring student progress and providing study support where necessary, and making institutions' completion rates transparent.

When revisiting these and other issues, the HESP noted a number of significant observations:

- Submissions noted the changing economy and workforce and the increasing proportion of students studying part-time and taking time off from study; attrition was often a reflection of balancing work, personal commitments, financial circumstances and commitments.
- As a result of the new economy, digitalisation and complex factors leading to attrition, institutions should be continually adjusting curriculum, pedagogy and academic policy design to meet student needs and expectations.
- A student-centric institutional culture and well-targeted and well-communicated support services have a positive impact on student retention, completion and success.
- Some submissions noted the complexities around evaluating the success of targeted interventions and support services, but were enthusiastic about new ways to share best practice.
- Consistency in language around completions and attrition is important to stakeholders. There were many suggestions on how changes to the collection and reporting of data could better reflect the situation of retention, completion and success in higher education. Given the difficulty of understanding the increasingly complex pathways between school, vocational training, higher education, and employment, there was unanimous support for a common student identifier across tertiary education, and some support for a common student identifier across the whole of education, including schools.

The report made some significant recommendations, which included:

- Improving the guidance available to school students and mature age people prior to enrolment and the provision of careers advice to students by higher education institutions.
- Encouraging the greater development of nested courses, where appropriate and compliant with the Australian Qualifications Framework (AQF). This means that qualifications such as a diploma, advanced diploma or associate degrees can be incorporated within a bachelor degree.
- More streamlined and widespread sharing of best practice across the higher education sector would continue to build knowledge and capacity in these areas.
- Clarity of definitions and enhanced transparency in relation to attrition, completion, retention, and student success would assist prospective students to improve their decision-making about study progression.
- Attrition data should be published at more disaggregated levels.

A common student identifier across the tertiary education sector should be introduced, with a view to working with states and territories to establish a common identifier across all levels of education.

In total, 18 recommendations were made in six areas: expectations of completion in the current context; supporting students to make the right choices; supporting students to complete their studies; sharing best practice; clarity of definitions and enhancing transparency; and accountability and regulation.

Australian Council of Social Service (ACOSS) — *Inequality in Australia: A Nation Divided* (2015)

While inequality militates against equity in society, the exact magnitude of inequality and how we measure it has not featured prominently in debates on equity in higher education. A report by the Australian Council of Social Service (ACOSS), *Inequality in Australia: A Nation Divided* (2015), clearly demonstrated the extent of inequality in Australia and provides an important context for some of the major but inconspicuous shapers of equity in higher education.

Inequality is driven by trends in the relative shares of national income and national wealth.

Some key points from the ACOSS report included:

- Income inequality was illustrated by the following findings:
  - Inequality in Australia is higher than the OECD average.
  - A person in the top 20 per cent income group has around five times as much income as someone in the bottom 20 per cent.
  - Strong employment growth over the past 17 years helped to reduce income equality, as those at the bottom end of the income distribution had greater access to the workforce and worked more hours.
  - Wages growth was very unequal over the period and acted to increase income equality. Over the 25 years to 2010, real wages increased by 50 per cent on average, but by 14 per cent for those in the bottom 10 per cent, compared with 72 per cent for those in the top 10 per cent.
  - Increases in investment income for those at the very top of the distribution increased income inequality, with investment income for the top 10 per cent doubling between 2004 and 2010. This increase is responsible for most of the income increase in inequality over this period, despite only forming a small component of income.
  - Income is not distributed evenly across Australian states, age demographics, those reliant on government benefits, and those from non-English speaking backgrounds.
  - There is an urban and regional pattern to income inequality, with people in capital cities more likely to be in the top 20 per cent, while those outside capital cities are more likely to be in the bottom 20 per cent.
- Wealth inequality was illustrated by the following findings:
  - Wealth is far more unequally distributed than income. A person in the top 20 per cent has around 70 times more wealth than a person in the bottom 20 per cent.
  - The top 10 per cent of households own 45 per cent of all wealth, most of the remainder of wealth is owned by the next 50 per cent of households, while the bottom 40 per cent of households own just five per cent of all wealth.
  - Ownership of particular asset types is even more concentrated. For example, the top 20 per cent of the wealth distribution owns 80 per cent of all wealth in investment properties and shares and 60 per cent of all superannuation wealth.
  - The average wealth of a person in the top 20 per cent increased by 28 per cent over the past eight years, while for the bottom 20 per cent it increased by only three per cent.
  - Wealth in owner-occupied housing is more equitably shared than other wealth. However, many people—particularly younger generations—are now finding it harder to enter the market.
  - Wealth inequality has declined since the Global Financial Crisis, but has increased over the longer term.

Business Council of Australia — *Future-Proof: Protecting Australians Through Education and Skills* (2017)

The Business Council of Australia released a report in October 2017, noting that universities' considerable power and prestige has enabled them to retain dominance in shaping higher education. However, the knowledge for today's economy often requires different and changing skill sets, regularly updated, often in short courses, in a flexible and consumer-responsive manner. This poses a threat to the established model of a three- to five-year course at a university which sets individuals up for lifetime careers. The private sector may have a much bigger role and be better placed in delivering higher education and relevant skills in the future.

The responses required from the education sector are far-reaching, systemic and holistic:

- The education system needs to adapt, respond and anticipate drivers of change and be active in taking a cooperative approach to development across early, middle and higher education. Education needs to be seamless but offer flexible pathways; silos within education sectors need to be minimised.
- Drivers of skills include the development and uptake of new technologies, plus the increased emphasis on a market-driven demand for skills that is shaping education. Lifelong learning and the constant acquisition of new skills to support people who may have several careers in a working life are changing the traditional model of education towards an ongoing relationship between the worlds of work and learning.
- These drivers indicate the need for a more open, transparent and competitive market for education to match the evolving demand and supply of skills. The private sector has a role to play in identifying skills as well as developing them in-house, which points to a new joint role in the provision of skills—a combination of learning at work and at an educational institution—that is ongoing and which redefines the roles of both employer and educational institution.

The BCA report made eight proposals for a better tertiary education system, which reflected a more market-oriented approach, able to better respond to the needs of a better informed education consumer.

1. The key features of a tertiary education system are that it will: maintain a unique identity for the VET and higher education sectors; establish a single funding model that is sector-neutral; build a single source platform of market information to help users make informed decisions; have a shared governance model; and create a culture of lifelong learning.
2. Develop a lifelong skills account that is sector-neutral for everybody based on: access to a government subsidy for accredited learning in VET or higher education; and access to income contingent loans for accredited learning at AQF levels 5–9.
3. Build a single platform of market information across tertiary education that is designed around a potential learner's decision-making process. To support this portal, new data sets will need to be created including: the cost of delivering tertiary education at a course level; the private return from tertiary education at a course level; and the average length of time it takes learners in a course to repay loans.
4. Facilitate industry leadership, particularly in the VET sector. Industry would retain responsibility for product development in VET and have a role in broader policy across the sector.
5. States and territories would have responsibility for funding: pre-accredited and foundation studies, Certificates 1–4; and any base funding needed to make the public provider sustainable. The Australian Government would have responsibility for funding: diplomas, advanced diplomas and bachelor degrees; income-contingent loans; and research-training and research more broadly.
6. The methodology to determine subsidy rates for each qualification should be set by: identifying a cost-reflective price and the ratio of public-private benefit; and overlaying the relevant government priorities, including managing budget exposure. The subsidy level may differ between jurisdictions, including the availability of any subsidy.
7. Establish a tertiary system funding and market information institution which would have responsibility for: running the costing and private return exercise; establishing the initial subsidy rate and contribution ratio for each qualification; managing the funding system; distributing and monitoring all funding; and establishing and maintaining market information.
8. Creating a lifelong culture of learning by: maintaining the current approach to qualifications for people entering the labour market and people moving into new industries; and empowering graduates in the labour market to create a qualification that meets their skilling needs.

Commonwealth of Australia — *Independent Review into Regional, Rural and Remote Education: Final Report* (2018)

In 2017, the Commonwealth Government announced the Independent Review into Regional, Rural and Remote Education, led by Emeritus Professor John Halsey. The Review was asked to:

- consider the key issues, challenges and barriers that impact on the learning outcomes of regional and remote students
- identify innovative and fresh approaches to support improved access and achievement of these students in school and in their transitions to further study.

The terms of reference included the investigation of: the gap in educational achievement between regional and remote and metropolitan students; key barriers and challenges that impact on educational outcomes for regional and remote students; the appropriateness and effectiveness of current modes of education; and the effectiveness of public policies and programs to bridge the divide.

The report noted that the achievements of regional and remote students have in the main lagged behind urban students for decades — the reasons for this are complex and go beyond the education sector. The contexts, factors, relationships and resources that impact on learning and opportunities don't exist as discrete entities. Their interactions influence the learning, growth and nurturing of students from their early years through to school graduation and beyond.

The report, published in 2018, produced 11 recommendations and 53 actions to progress them. The recommendations, which encompass curriculum and assessment; principals and teachers; and expanding VET and university opportunities and pathways, include:

1. Establish and/or refine processes for ensuring the relevance of the Australian Curriculum and state/territory assessment processes for regional and remote students and communities.
2. Ensure regional and remote contexts, challenges and opportunities are explicitly included in the selection and pre-service education of teachers, initial appointment processes and their ongoing professional support.
3. Ensure regional and remote contexts, challenges and opportunities are explicitly included in the selection, preparation, appointment and ongoing professional support of educational leaders.
4. Ensure regional and remote children start school with a strong foundation for learning.
5. Expand the availability, affordability and accessibility of high quality work experience placements, VET, dual VET/university options and two-year associate degree programs for regional and remote students.
6. Support regional and remote students to make successful transitions from school to university, training, employment and combinations of them.
7. Encourage the philanthropic sector to play a greater role in raising achievements and improving opportunities for regional and remote students.
8. Improve opportunities for regional and remote students to implement entrepreneurship in education through curriculum, teaching, system and cultural changes and building on good practice.
9. Improve the availability, accessibility and affordability of Information Communication Technology (ICT) for regional and remote schools; teachers; students; parents; and communities.
10. Support regional and remote communities to implement innovative approaches to education delivery designed to improve education access and outcomes for students living in remote communities.
11. Establish a national focus for regional and remote education, training and research to enhance access, outcomes and opportunities in regional Australia.

The report nominated four priority areas for attention:

1. Establishing a national focus for regional and remote education, training and research to enhance access, outcomes and opportunities.
2. Focusing on four critically important resources for successful learning and building young peoples' futures: leadership; teaching; curriculum; and assessment.
3. Addressing the inconsistency of ICT in regional and remote locations.
4. Focusing on the transitions into, and out of, school.

Mitchell Institute (Victoria University) — *Financing Tertiary Education in Australia: The Reform Imperative and Rethinking Student Entitlements* (2015)

The relationship between the universities and the VET sector has long assumed a separateness based on a "professional versus technical" divide which is becoming less relevant to tomorrow's economy.

The Mitchell Institute at Victoria University produced a report in 2015, *Financing Tertiary Education in Australia: The Reform Imperative and Rethinking Student Entitlements*, citing evidence that skills development is a critical issue for Australia:

- People without a tertiary education will be increasingly less able to participate in the future labour market.
- Over the five years to November 2015, the majority of Australia's employment growth was in occupations that required post-school qualifications through either university or VET.
- The Australian Government Department of Education and Training (DET) projects that the almost one million jobs that will be created in Australia from 2015–20 (920,000) will require a post-school education. Only 69,000 jobs—just 3.4per cent of the total—will be available for people who do not progress beyond Year 12 or equivalent.
- The Mitchell Institute believes that universities, TAFEs and other institutions are funded by a flawed and failing system.

Funding trends have shown contrasting outcomes for universities and the VET sector:

- Expenditure in the VET sector has declined dramatically, to below levels seen over 10 years earlier in real terms. From 2005–06 to 2015–16 national expenditure fell by 4.7 per cent, or $280 million, when adjusted for inflation. In the most recent reporting year, between 2014–15 and 2015–16 VET expenditure fell by five per cent in real terms.
- In contrast, higher education expenditure from all sources has grown rapidly, with a 52.6 per cent increase over the same period, though the sharp growth appears to have slowed in the last year.

The Institute set out the key issues for a cohesive tertiary sector, including a more prominent role for VET:

- Tertiary education reforms have lacked policy cohesion, and arguably have entrenched rather than diminished equity.
- Today's young people are growing up at a time when a post-school qualification is becoming a baseline requirement for meaningful social and economic participation.
- Both higher and vocational education should together constitute a national, and international, tertiary education sector.
- The concept of a student's entitlement to tertiary education in Australia applies in higher education where students offered a place at university have an entitlement to financial support. This only partially applies in the VET sector, and student entitlements are poorly defined, varying widely by state.
- This mix of student entitlements has led to undue complexity and inequity across tertiary education.
- Higher education and VET policy has suffered from erratic or absent policy coordination, and poorly coordinated implementation between governments.
- There has been a failure to think about the education and training continuum—from school education to tertiary education—in an integrated, nationally consistent manner.
- There is a need to support specific groups: young people who do not transition or make poor transitions; older Australians; and apprentices' needs.
- The Institute decided to focus on one foundational aspect: a fairer and simpler financing framework across the different levels of government and tertiary education. The Institute's proposals included:
  - A public subsidy paid by either states/territories or Commonwealth governments, based on eligibility to entitlement, plus student contributions paid by the Commonwealth to providers with students taking out an income contingent loan.
  - The Commonwealth would be responsible for: funding all sub-degree and degree level qualifications regardless of the sector in which they are delivered; providing income contingent loans; and income support on a needs basis.
  - The states and territories would fund Certificates III and IV, including apprenticeships, other forms of entry-level training and post-trade training; and Certificates I and II as pre-tertiary qualifications.
- The report concluded that there is a strong case for an independent authority to govern the tertiary funding system.

Grattan Institute — *Dropping Out: the Benefits and Costs of Trying University* (2018)

The Australian higher education sector has been very successful in broadening participation. However, there has been a growing concern that access has been at the expense of success, despite data showing attrition rates have been relatively stable over the last 10 years.

The debate on "success" and "failure" and their associated private and public costs are explored in an April 2018 report by the Grattan Institute, *Dropping Out: the Benefits and Costs of Trying University*.

Some of the key points made in the report included:

- Nearly 250,000 students will start a bachelor degree in Australia in 2018 and more than 50,000 will leave without a degree.
- Dropping out is not always a bad outcome. Surveys of school and first-year university students show many are uncertain about their direction and enrolling can help them decide what they want to do. If they decide university is not for them and leave quickly, it costs them little time and money.
- Partially completed degrees can have other advantages. Many people who did not finish their course found it interesting, learned useful skills, and made lasting friendships and connections.
- However, a significant minority of those who fail to complete a degree are left with debt and regret. Nearly two-thirds believe they would have been better off if they had finished; nearly 40 per cent of students who dropped out would not begin their degree again; and about a third of them believe they received no benefits from their course. Much of the risk of dropping out is foreseeable. Part-time students are the most likely to drop out.
  Many try to combine study with paid work and family, but discover they can't manage their competing commitments. Students who enrol in three or four subjects a year—half as many as a full time student—have only about a 50 per cent chance of completing their course in eight years. Students who enrol full-time have about an 80 per cent chance.
- School results are important. Students with ATARs below 60 are twice as likely to drop out of university as similar students with ATARs above 90.
- With better advice, some prospective part-time students may opt to study full-time. And some low-ATAR students would take a vocational education course instead. Some may not study at all, but pursue employment instead.
- Governments and universities should do more to alert prospective students to their risk factors. The Commonwealth Government's Quality Indicators for Learning and Teaching (QILT) website should include a guide to students' completion prospects.
- Some students who drop out never seriously engage with their course, and needlessly accrue HELP debt before they leave.
- Australia's higher education system lets people try out university. But Australia should do more to reduce the number of drop-outs.

The Grattan Institute report made a number of recommendations:

- For people thinking about applying for university:
  - The Government's student website, QILT, should include personalised information about the risk of not completing a degree.
  - University web pages for future students should clearly state what part-time students need to do to finish the course in the maximum time allowed.
- When universities are (re-)enrolling students:
  - Universities should check that students take enough subjects to complete their degree in the maximum time, or that the student has a credible plan for catching up.
- Before the census date when students become liable to pay for their subjects:
  - All students should receive more effective communication about the importance and timing of their census date, so they don't pay for subjects that they are unlikely to complete.
  - If students are disengaged before the census date and don't commit to re-engaging, universities should cancel their enrolment.
  - If disengaged commencing students remain an issue after other methods of protecting them are tried, the Government could require students to confirm their enrolment, or opt-in, a few weeks into the semester.
- For the Tertiary Education Quality Standards Agency:
  - The regulator, TEQSA, should pay more attention to what universities tell prospective part-time students about how many subjects they need to take, and whether universities are enrolling part-time students who do not have credible plans for completing their degree.

Nous Group — *A Performance Framework for Regional Universities* (2018)

The Australian Government is gradually moving towards linking funding for higher education with performance in a number of areas including student retention and employment outcomes. However, unless performance is carefully defined there is a risk of rewarding the wrong behaviours and constraining innovation and opportunity for those students most in need of higher education.

A narrow focus on attrition does not fully capture the expectations that both government and community have of higher education. It is in this context that the Regional Universities Network (RUN) employed the Nous Group to develop a report, *A Performance Framework for Regional Universities* (June 2018).

The report noted the unique role played by regional universities, which:

- build diversity within the sector, with individual campuses having their own educational and social mission focused on the needs of its community; are anchor institutions for their local community in roles that extend beyond teaching and research; add value to the local economy; provide community facilities; generate local economic activity and are a source of social and cultural wellbeing
- lead the sector in expanding access — regional universities have some of the highest enrolment rates of equity group students
- offer innovative teaching methods, including online course delivery — regional universities have to innovate because of their unique student profiles, resourcing arrangements and community needs.

These positive roles are also the source of some challenges for RUN universities in a context of performance evaluation:

- Because of their focus on expanding access to regional students and students from disadvantaged backgrounds, they are more likely to have higher attrition and lower completion rates than their metropolitan counterparts. Nearly half of students at a regional campus do not complete their degree within eight years, compared to fewer than one in three at a major city campus.
- RUN universities' social and economic contributions go beyond simple measures of completions and employment.
- RUN universities have a different mission that provides for regional Australia.

The report developed a performance framework for regional universities with three key components:

1. Framing performance against Higher Education Support Act (HESA) objectives, which are broadly defined, and which require universities to deliver against teaching quality; equity; and contributions to social, cultural and economic needs. This component incorporates a comprehensive assessment of inputs, outputs, outcomes and broader community impacts to measure success.
2. Applying appropriate context to retention measures and providing a level playing field by weighting according to student profile and supplementing the measures with other metrics. To ensure HESA objectives are fully captured, the framework measures university performance against:
    - six core performance measures: employer satisfaction; student satisfaction; and participation rates of equity groups in addition to weighted attrition and completion rates and employment outcomes
    - three optional performance measures which universities can select from a pre-approved list, including regional employment outcomes; staff incentives for teaching performance and community engagement; workplace learning; and economic value to community
    - up to one institution-specific measure approved by government, which could include measures such as the success of dual sector arrangements or support for regional disaster relief.
3. Evaluating performance through a submission process to government in which universities have the opportunity to articulate the strategic context and narrative behind relevant performance measures and explain institutional difference.

KPMG — *Re-imagining Tertiary Education: From Binary System to Ecosystem* (2018)

International accounting and business advisory firm KPMG invited 52 leaders in government, business and education to discuss the future of tertiary education in Australia. The outcome was a report, *Re-imagining Tertiary Education* (2018).

High-level observations included:

- The pace of change in society requires rethinking the tertiary education sector at a system level.
- We can't predict the future, only speculate on it, but it probably entails developing cognitive, practical and social skills rather than discipline-based knowledge.
- We need to move from binary to ecosystem, with more diversity of providers, organised around the backbone of a revised Australian Qualifications Framework (AQF) and legislative requirements which treat like providers alike.
- We need to move beyond an unstable and outdated distinction between higher education and VET.

The report produced 10 recommendations:

1. A national tertiary education and training system:
   - A national tertiary education and training system should be introduced progressively through negotiation between the Australian Government, and states and territories, on the basis that the Australian Government takes primary responsibility for a single tertiary education funding framework for qualifications from Certificate level through to PhD.
2. A tertiary education system with the AQF at its centre:
   - Australia's tertiary education system should be structured, funded and regulated around a refreshed AQF, not around a division between "higher education" and "vocational education and training".
3. A unified funding framework:
   - The Australian Government should restore the demand-driven funding model for higher education and extend it progressively to other tertiary qualifications.
4. Greater funding transparency and accountability:
   - The Australian Government should ensure that the purposes for which grants are made to providers of tertiary education and student contributions are levied are clearly identified, particularly in relation to teaching and research. There should be clear accountability for the outcomes under each funding stream.
5. Independent tertiary education pricing authority:
   - The Australian Government should establish an independent tertiary education pricing authority. Working within overarching financial parameters set by the Government, the authority would: determine the appropriate price for the teaching of various disciplines at different tertiary qualification levels; and set the maximum amount of that price to be paid through student contributions, having regard to the private benefit at different tertiary qualification levels.
6. A unified tertiary education loan scheme:
   - Students should have access to a single income-contingent loan scheme that allows them to borrow in respect of student contributions across the full range of tertiary qualifications.
7. Regulatory arrangements:
   - The Australian Government should tighten regulation in the VET sector, ensuring that regulation is responsive to the circumstances of tertiary providers, and integrate the regulatory activities of Australian Skills Quality Authority (ASQA) and TEQSA over time.
8. Valuing teaching excellence:
   - The Australian Government should develop an instrument to appraise and recognise excellence in teaching as a companion to the Excellence in Research for Australia instrument. A component of funding allocated to providers to support teaching should be contingent on teaching outcomes.
9. Improving information on tertiary education outcomes:
   - The Australian Government should improve information available to support the operation of the tertiary education "marketplace" and assist students to make good educational choices.
10. Removing higher education provider categories:
    - The use of the term "university" should continue to be restricted by law but not be based on TEQSA classification of different types of higher education providers. Universities should no longer be compelled to undertake research that leads to the creation of new knowledge and original creative endeavour in at least three broad fields of study.

PwC (PricewaterhouseCoopers Consulting) — *Lifelong Skills: Equipping Australians for the Future of Work* (2018)

PricewaterhouseCoopers Consulting developed a report for the Australian Technology Network of Universities (ATN), working with stakeholders from government, industry and universities to examine the future skill needs for Australia and how they might be delivered.

The report looked at ways educators and policymakers can respond to the way that technology is changing the way we live, work and learn, through drivers that include automation, globalisation and artificial intelligence.

The report noted four drivers of the future of work and skills:

- Digital technologies are automating many tasks, replacing jobs and creating others.
- Novel applications of technology are disrupting the way we work and connect; for example, peer to peer technologies.
- Social, cultural and health demographic trends are shaping work; for example, people working and living longer, with expansionary and innovation implications for the health sector.
- Geography is less of a barrier, and countries and industries are increasingly accessible and interdependent.

The impacts will include:

- a shift away from routine tasks, low-skill manufacturing and physical labour towards a more human-centred services-based economy
- a growing proportion of jobs requiring individuals who can interact with and coordinate people; plan and manage the solving of complex problems; and select and use technological tools
- people will need access to education throughout life, to re-skill, upskill or transition between industries.

The ATN is in a unique position to respond to these trends through its history of education and training, strong industry partnerships, and a focus on student employability.

Some of the report's findings include:

- Individuals will upskill, re-skill and return to work several times throughout their life, and may even return to the cycle after retirement.
- It is vital that students can access pathways that allow them to move freely between the two components of Australia's segmented tertiary education sector, VET and universities.
- "Micro-credentials" can respond to meeting skills needs and allow for modularised learning; these are likely to complement rather than replace traditional long courses.
- Skills for the future are enterprise skills: critical thinking; problem solving; design thinking; digital skills; analytics; team working; communication; entrepreneurial skills; and creativity.
- Collaborations between education and industry will take many forms: work integrated learning; research partnerships; course co-design and co-assessment; and continuing professional development.
- There needs to be information about employment and career pathways, and skills and jobs trends over the next decade, and how to find support on these pathways — this includes educational options at every stage of life.

The report produced five sets of recommendations:

1. Support Australians' lifelong learning needs:
   - Ensure Australia's national policy and funding arrangements support lifelong learning.
   - Invigorate the alumni relationship to build up meaningful, lifelong connections between universities and alumni.
2. Equip learners with enterprise skills/competencies:
   - Ensure all students across all degrees and disciplines have the opportunity to acquire enterprise skills.
   - Integrate competency-based teaching and assessment into qualifications to meet employer needs.
3. Facilitate flexible pathways to meet the needs of future learners.
   - Further develop flexible pathways that integrate employment and education.
   - Enhance Australia's micro-credentialed offerings through content development and support from universities, industry and government.
4. Continue to promote industry-university collaboration by streamlining and removing barriers.
   - Ensure legislative frameworks allow for a broader range of learning placements.
   - Introduce tax incentives to encourage businesses to engage with universities.
   - Remove barriers and promote broader student participation in Work Integrated Learning (WIL).

5. Ensure all Australians have access to meaningful, relevant education information and data.
    - Deliver targeted communications for industry groups, including small and medium enterprises (SMEs), to demonstrate the value of collaborating with universities.
    - Combine existing data sources to provide a comprehensive, longitudinal education dataset and improve existing information platforms.

Australian Government Department of Education and Training — *Driving Innovation, Fairness and Excellence in Australian Higher Education* (2016)

In May 2016, the Australian Government released a broad strategic statement on the future of higher education, *Driving Innovation, Fairness and Excellence in Australian Higher Education*.

The statement was a wide-ranging perspective with goals that included addressing the needs of industry, business and families; enhancing equality; delivering social and economic mobility; providing people with skills and opportunities; and promoting innovation as a driving force to shape Australia's economic transition in a rapidly evolving global economy.

The specific measures to promote the goals were incremental and modest, with the implementation of much of the larger ambitions dependent on budgets securing the approval of Parliament which has still to occur.

The higher-level policy settings noted in the report included: driving innovation; embedding fairness and equitable access to university; ensuring global excellence among Australian universities; and ensuring that the education system is financially sustainable and affordable in the long term. While the goals are presented as being complementary and consistent, there is some friction between some, such as sustainability in public expenditure and affordability for students.

Some of the key financial and economic issues raised in the statement included:

- Since 2009, with the demand-driven system, taxpayer funding for Commonwealth supported places in higher education has increased by 59 per cent, compared to a 29 per cent growth in nominal GDP in the economy.
- Since student contributions and HECS student loans were introduced, the annual number of domestic students enrolled has grown by 144 per cent from 420,000 in 1989 to just over one million in 2014. In comparison, the Australian population has grown by about 40 per cent.
- More than one-third of people aged 25 to 34 now hold a bachelor or higher qualification.
- The cost to taxpayers has grown enormously. In 1989 the government provided around $6.5 billion in today's terms to support higher education teaching, learning and research. By 2014 this had grown to $15.4 billion, including $9.9 billion in teaching and research and $5.5 billion in HELP student loan payments.
- Debt held under the contingent student loans scheme has grown to over $40 billion. The proportion of debt not expected to be repaid on new loans has grown to 19 per cent. In 2015–16, with annual HELP expenses now at $2.6 billion.

Initiatives cited in the statement included: the National Innovation and Science Agenda which contained over $1.12 billion over four years to create a culture of entrepreneurship; and support for more collaborative measures between institutions to deliver education services (between universities and the private sector; the VET sector; private sector; and medical institutes).

The public policy priorities for higher education included:

- genuine choice of higher education opportunities
- genuine pathways
- equity of access
- incentives for flexibility for institutions to excel and innovate
- quality via regulation, non-distortionary funding models and transparency measures that deliver institutional accountability
- affordable and providing a return on investment from both an individual and a national perspective.

NCSEHE — *Equity Performance and Accountability* (2018)

The implementation of equity in higher education has proved to be a challenge due to variations in reporting, fragmentation in programs, and inconsistencies in policies between educational institutions. A framework to harmonise these inconsistencies may help identify issues and the responses to them.

One possible way to resolve this tension is to develop a framework for equity, an idea that has been raised on several occasions in recent years. The concept of an operational framework for equity and accountability has just been developed by NCSEHE Equity Fellow Matt Brett in his 2018 report *Equity Performance and Accountability*. The report notes that there is a case to strengthen accountability given public policy importance of student equity, the magnitude of public investment, and challenges identified around accountability for equity. The report proposed that the strengthening of accountability is best seen as a system-level challenge, resolved by progressively and collaboratively embedding strategic equity goals across the system when opportune to do so.

The report identified four strategic priorities for change: refining equity goals; improving information management to improve data collection and the consistency of reporting; embedding student equity goals across the higher education system; and analysing, reporting and communicating outcomes. The report lists the challenges and the implications of implementing these four strategic priorities.

The report identified a number of issues and challenges for accountability in equity in higher education:

- There is insufficient conceptual clarity as to what student equity means.
- There is a progressive dilution of emphasis on equity issues from policy goals to delivery.
- There are differing opinions as to which equity groups should be the focus of policy and institutional attention.
- Equity is shaped by many institutions and different timeframe considerations outside of higher education.
- Public investment in financing student equity is not well understood.
- Student equity should have a more prominent role in higher education regulatory practices.

The report produced 13 findings, which informed proposed strategic priorities. A summary of some of the key findings includes:

- Student equity goals need to be clarified and, where possible, common standards and definitions applied system-wide across higher education.
- Student goals need to be updated within a process that allows for evolution in the composition of equity groups as well as objectives for them.
- Student equity needs to be embedded in institutional system design and applied in a systemic way across higher education.
- Base funding and equity program incentives should reward institutions based on equity representation, quality teaching and graduate outcomes.
- Accountability for equity needs to be commensurate with the level of public investment and level of strategic prioritisation of student equity goals.
- Student equity needs to be understood and managed as a system level issue that involves all levels of government, all institutions and students.
- Accountability needs to be embedded across the higher education sector and within higher education policy, not just be seen as a role for a tertiary education regulator.

The report produced a checklist for assessing accountability for equity in higher education.

Recommendations were process-driven in that through a clustering and refinement process, findings were condensed into four strategic priorities that can guide policymakers to inform a proposed equity policy and accountability framework:

1. refining equity goals
2. improving information management
3. embedding student equity goals across the higher education system
4. analysing, reporting and communicating outcomes.

Future directions

The unfolding future of higher education and the VET sector, and the status and performance of equity within it, seems set for a period of significant and complex change. Education is witnessing its own “disruptive reinvention” due to economic globalisation and developments in technology.

The reports selected to identify significant trends and issues are not the only research and policy reports on higher education or equity; many others could have been assessed and synthesised and the scope of education would have been widened.

Interpretation of future directions is always contentious, with different internally-coherent perspectives sometimes conflicting with other perspectives. The future directions presented here are high-level, but most perspectives would acknowledge their centrality to future changes, even if there is not unanimous agreement on details and priorities.

Five themes have been developed which may assist in forming a suite of integrated pathways for reform that support an equitable higher education sector.

An integrated holistic view of education

Many reports have advocated the need for a more integrated and seamless education sector, with fewer silos and easier mobility between institutions and levels, all in a lifelong continuous learning framework. Equity in higher education is only one factor in the complex interplay of these issues.

Three structural issues stand out for reform: developing smoother transitions between primary, secondary and tertiary education; creating a better balance between universities and the VET sector with technical education elevated in status and resources to be a complementary alternative to higher education; and a move towards greater consensus and cooperation between the states/territories and the Australian Government on policy and funding across the whole education sector. These considerations may broaden the way we see equity in education at all levels and equity in post-school education.

A national equity narrative

A national narrative for equity in higher education seems an abstract concept, but in the midst of significant change and constraints on public expenditure, funding for equity initiatives is not assured and equity may be marginalised, particularly if the easier gains in proportional representation have already been made and the marginal costs of raising equity increase. There is a growing case to develop a national narrative for equity in higher education, based on the public sector drivers of efficiency and effectiveness that increasingly drive public policy.

A national equity narrative would demonstrate the case for equity based on considerably more data, across the whole education sector, with the goal of demonstrating the net economic and social benefits of equity.

Measuring performance and outcomes

Measuring how well the education sector is establishing and achieving goals is becoming more important. While there is a need to better measure access, success, transition and outcomes in higher education, there is also growing recognition of the need to better define those terms in more holistic rather than in a short-term accounting manner.

Success, for example, needs to be broadly defined in terms of positive impacts on the individual, family and community over a longer period of time; the costs and who bears them also need to be taken into consideration in determining the real value of education. Measuring performance needs to focus on transparency and accountability across the education sector so that

"inputs" (finance and support programs) can be directly linked to "outputs" (success in access, retention and completions) which lead to "outcomes" (appropriate employment for equity students). For these linkages to be made in a virtuous self-informing cycle, we need to see greater consistency in reporting across the sector so that data becomes more useful sector-wide and the performance of universities can be assessed. This approach is consistent with the Australian Government's *Higher Education Reform Package* (2017) which strengthened the case for increased transparency and accountability and introduced stronger measures for performance-contingent funding for universities. A significant shift towards transparency and accountability has the potential to cost-effectively improve the efficiency and effectiveness of the Higher Education Participation and Partnerships Program (HEPPP) and secure much improved outcomes for equity students.

Courses and qualifications

The purpose and value of higher education is coming into question as the cost of that education rises, the relevance of some courses to employment is in doubt, and employers are increasingly taking on demonstrably talented individuals without traditional qualification requirements (mirroring less reliance on ATAR by universities).

Many students and employers are seeking practical and regularly updated knowledge, and this points towards greater adoption of three trends:

1. more use of short courses, often technical or highly focused
2. stackable or nested qualifications
3. an accumulation of dynamic, self-selected knowledge and skills, rather than an unchanging structured off-the-shelf educational package.

This student-centric consumer-focused approach may see changes as to which institutions deliver education, what they deliver and how and when it is delivered.

There may be a case for Individual Learner Accounts in which support, including financial support, is allocated on an individual equity needs basis that would also address compounding disadvantage experienced by some individuals.

Incorporation of quality careers and employment advice Individual Learner Accounts would be desirable given the rapid changes in skills, jobs and education. This approach would require a rethink of the role of equity managers, who may take an individual case management approach to assisting students to navigate the worlds of education and employment.

A framework for equity

The development and implementation of an equity framework that can harmonise reporting and develop transparency and accountability would greatly assist the advancement of equity in higher education.

The latest report into this issue by Matt Brett, *Equity Performance and Accountability* provides one possible framework, focusing on four areas: refining equity goals; improving information management to improve data collection and the consistency of reporting; embedding student equity gaols across the higher education system; and analysing, reporting, and communicating outcomes.

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