

Australian University Accord: response to Discussion Paper

Navitas submission

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1. Executive Summary

Challenges in achieving higher education attainment levels continue for some regions and cohorts and future demand will add further pressure

This submission presents key findings and insights on Australia's performance in achieving key targets set out in the Bradley Review in 2008. Despite the overall attainment target of 40% of 25 to 34 year olds holding a Bachelor's degree or above being achieved, there still exists very low participation in some areas and for some cohorts. In particular:

- **There are significant differences by gender**, with higher education participation rates of young males much lower than those of females (33.6% compared to 46.5%).
- **The target has not been met in several states and territories**, with all states and territories except for ACT, Victoria and New South Wales sitting below the overall 40% target.
- **Differences exist across regions with much lower participation for people that live in lower socio-economic regions**, and higher attainment for those in wealthier regions.
- **Migrants perform strongly and support Australia's skills needs**, with non-citizens holding higher attainment levels than Australian citizens (57.7% attainment rate).
- **A large gap in attainment for Aboriginal and Torres Strait Islanders**, with less than 10% holding a Bachelors degree, despite strong improvements over the past five years.

This analysis on attainment and participation also informs recent work Navitas has undertaken to understand future demand for Australian higher education by domestic students. We outline initial findings from this analysis, with two scenarios presented that show demand from 18- to 24-year-olds could **increase in 2040 by between 150,000 students** (if there is no increase in participation levels) or **500,000 students** (if participation trends follow the most recent five years). The system will need to both meet this demand and support more balanced attainment levels across different cohorts and regions.

Navitas proposes six principles for a future Australian higher education system in 2040

In line with the University Accord's focus on the shape of the higher education system in 2040, Navitas puts forward six key principles that should underpin the design of any future system. These are:

1. Australia's higher education system needs to **meet growing demand and support increased participation** in higher education.
2. Australia's higher education system **does not disincentive students to study with the provider** that is most appropriate for them.
3. Australia's higher education system **supports 'pathway' programs to increase participation and success**, in particular for students from disadvantaged backgrounds.
4. Australia's higher education system is underpinned by **genuine partnership with industry** to ensure sufficient workforce readiness and labour force supply
5. Australia's higher education system supports diversity in providers and increased student choice through the **University College category**
6. Australia's higher education system includes a **sustainable and diverse international education sector**

Key insights are presented on each of these principles in the submission.

There are some key areas Navitas' submission does not address

Importantly, Navitas' submission does not address two key areas – the importance of research and university funding as it relates to the Job Ready Graduate Package. We recognise these are critical issues for the sector, however given they are not primary concerns for Navitas, we defer to the expertise of our Australian university colleagues to share their insights and recommendations on these areas.

Navitas makes ten recommendations for consideration by the Accord

Aligned with the six principles for Australia's future system outlined above, Navitas makes ten recommendations for consideration by the University Accord.

Table 1 | Summary of recommendations made by Navitas

Section	Navitas recommendation
1. Meeting future demand and supporting increased participation	Recommendation 1. The University Accord makes recommendations on appropriate settings to maximise the public-private mix that will be required to meet future demand for higher education and the policy changes essential to leveraging private investment in higher education in the national interest.
2. Removing disincentives for students to study with the most appropriate provider for them	<p>Recommendation 2. Permanently abolish the 20% FEE-HELP Loan Fee <u>OR</u> Equitably apply a lower loan fee across all students studying higher education.</p> <p>Recommendation 3. Amend the Higher Education Support Act 2003 to ensure all higher education students studying in areas of skills shortage (such as nursing) are able to access CSP funding to support increased supply and talent pipeline in key areas of skills shortage.</p>
3. 'Pathway' programs in supporting access and success	Recommendation 4. Introduce a direct allocation of CSPs to 'pathway' programs in order to support students from disadvantaged backgrounds to effectively prepare for university level study. These should be administered through a competitive process and eligibility should be open to all approved higher education providers.
4. Partnership with industry to support workforce readiness and labour supply	<p>Recommendation 5. The Australian Government should state an objective that all students studying in Australian higher education programs undertake elements of work integrated learning – whether that be through placements, internships or through curriculum and assessment directly aligned with industry practice.</p> <p>Recommendation 6. The Australian Government take steps to address the financial challenges for students that are undertaking mandatory placements – including through consideration of income contingent loans or grants.</p> <p>Recommendation 7. The University Accord makes recommendations on clarifying and re-stating the role of industry accreditation bodies to ensure they play an advisory role, and their remit does not overlap and duplicate the role of TEQSA as the regulator.</p>
5. Supporting diversity through University Colleges	Recommendation 8. The University Accord implement policy settings to realise the capacity for the University College category to deliver institutional diversity through the creation of smaller institutions focused on innovative pedagogy, specialisation, graduate employability and local and regional economic benefits.
6. Sustainable and diverse international education sector	<p>Recommendation 9. To ensure that students that receive visas and study in Australia continue to be genuine students, the Australian Government should:</p> <ul style="list-style-type: none"> Extend the restrictive period to 12 months to prevent students transferring to other providers for non-genuine reasons Amend visa settings so that accountability sits with the currently enrolled provider, and there is not a 'trailing risk' for the original or previous providers. <p>Recommendation 10. Amend the visa system to support strategic priorities, including:</p> <ul style="list-style-type: none"> Amending the Genuine Temporary Entrant visa requirements to focus on genuine students and positively identifying students that may have a migration aspiration. Providing clearer pathways to permanent migration for international students and graduates, through targeted changes to the skilled migration points system.

2. Introduction

Navitas is an Australian based global leader in higher education

Navitas is an Australian company founded in Perth in 1992 to support international students to transition to a higher education learning environment. In 2022, Navitas continues to be headquartered in Perth, but is a global company delivering international education, domestic higher education and government services programs across many different countries.

In Australia, Navitas partners with nine Australian universities to deliver pathway programs to international and domestic students to support them to succeed in their higher education studies. Navitas also operates four campuses on behalf of Australian universities which attract international and local students – two campuses in Australia, as well as campuses in Dubai and Singapore. In addition to this, Navitas has two standalone providers that are Institutes of Higher Education (IHEs), SAE Institute and the Australian College of Applied Professions (ACAP). These two providers deliver degree level programs and are long-standing specialist providers in creative industries and psychology and counselling respectively. They both primarily deliver programs to domestic Australian students. Finally, Navitas, through Navitas Professional, also delivers work integrated learning both in partnership with Australian universities and through the Professional Year Program (PYP). Collectively, Navitas colleges and providers deliver programs to more higher education students than a number of Australian universities.

Navitas is therefore uniquely positioned in the Australian higher education landscape. It is experienced as both a partner to universities and as independent higher education providers in its own right; it is an Australian company but has deep experience and unique perspectives from working in other destination countries such as the United Kingdom, Canada and New Zealand; and it is a key player in both international and domestic higher education. Our submission reflects this unique position and experience.

This submission has been prepared by Navitas' Strategic Insights and Analytics team, an autonomous unit within Navitas that undertakes independent research and analysis to inform our planning and operations and contribute to sector advancement. Navitas insights are shared on our public website and detailed analytical advice is available to governments on request.

The University Accord presents an opportunity to consider reform to a system that is already well established and effective

Navitas welcomes the opportunity to contribute to the University Accord through this submission. We recognise the importance of this process and acknowledge the unique opportunity this presents to reconsider the way Australia's higher education system will operate over the medium- to long-term. As recently noted by Professor O'Kane, we also recognise that the system is largely effective, is competitive internationally and supports Australia's broader research and human capital objectives. Any approach to reform must therefore balance the aspects of the system that work well, with the areas where improvement is critical to future success.

In addition to this submission, Navitas would like to extend our offer to work with the University Accord panel and Department of Education to undertake further research and analysis work on behalf of the Accord – including through detailed presentations, commissioned reports and/or by providing access to data. Navitas plays a leading role in the sector through its Strategic Insights and Analytics team and would welcome the opportunity to assist the Accord as required. This includes through the development of forecast models for international and domestic demand, monitoring of international trends and our International Education Agent Insights survey.

The document is structured against six principles for Australia's higher education system in 2040

In line with guidance for 'bold ideas' and to consider the longer-term needs of Australia's higher education system, Navitas has put forward six principles that should inform Australia's higher education system in 2040.

These form the structure of the remainder of the document, as outlined below:

- **Section 3: Australia's higher education system needs to meet the future growing demand and support increased participation in higher education**, outlining analysis on attainment levels, participation rates and expected future demand using insights from Navitas' Australian Higher Education Demand (NAHED) model.
- **Section 4: Australia's higher education system does not disincentivise students to study with the provider that is most appropriate to them**, with analysis on barriers to students studying with independent providers – including the detrimental impact of the 20% FEE-HELP Loan Fee.
- **Section 5: Australia's higher education sector supports 'pathway' programs to increase participation and success, particularly for students from disadvantaged backgrounds**, which outlines the evidence base on the efficacy of pathway programs and makes the case for targeted investment to support increased success for equity students.
- **Section 6: The system is underpinned by genuine partnerships with industry to ensure sufficient workforce readiness and labour force supply**, with the section outlining the need for an increased focus on work integrated learning, challenges with mandatory placement supply and eligibility and the need to reconsider the role of professional accreditation bodies.
- **Section 7: The system supports diversity in the higher education system and increased student choice through the University College category**, outlining the importance of University Colleges and the opportunity for them to drive institutional diversity and play a key role in addressing major government, economic and social challenges.
- **Section 8: Australia's higher education system is supported by a sustainable and diverse international education sector**, which presents analysis on future global demand for international education, insights on Australia's competitive position and makes recommendations on changes to the visa system to maintain quality and support broader government and economic priorities.

We have also included a comparison table in Appendix A which aligns Navitas' submission response with specific questions raised in the consultation paper. This should support rapid assessment of key insights and recommendations against questions addressed directly.

3. Australia’s higher education system of the future needs to meet future growing demand and support increased participation in higher education

This section outlines key considerations in meeting future demand for higher education over the next twenty years. It provides a summary of existing attainment levels, levels of additional demand expected by 2040 and implications for the system, including the role of the independent sector. A summary of key points is included below.

Summary of issues on increasing domestic demand for higher education to 2040:

- The Bradley Review set clear targets on attainment levels – with the target of 40% of 25–34-year-olds holding a Bachelor’s degree or above having now been met overall
- There is however significant variation in attainment levels across different cohorts – with attainment rates lower for males, in some states and territories, and much lower for individuals living in lower SES areas and for Aboriginal and Torres Strait Islanders
- The educational success of migrants has been critical to achieving the national 40% attainment target demonstrating the valuable contribution of residents to the Australian community and economy
- Demographic growth is expected in the medium-term with the ‘Costello baby boom’ cohort coming through from the mid-2020s
- Growth in participation levels have slowed from 2016 to 2021, but increases in participation rates are still expected in the system through to 2040
- Future growth for higher education will see an additional 150,000 students studying in 2040 at a minimum (assuming no change in participation rates) and could be as high as 500,000.

This section builds on the *Navitas’ Australian Higher Education Demand Model*, (the NAHED model) developed by the Navitas Insights and Analytics unit in early 2023. Navitas would welcome the opportunity to work directly with the University Accord panel and secretariat to use the model to inform planning assumptions and determine implications of participation targets for higher education demand.

3.1 Headline higher education attainment target set in the Bradley Review has been met, but there exists very low participation in some areas and for some cohorts

The Bradley Review set a target that 40% of young people should gain a higher education degree

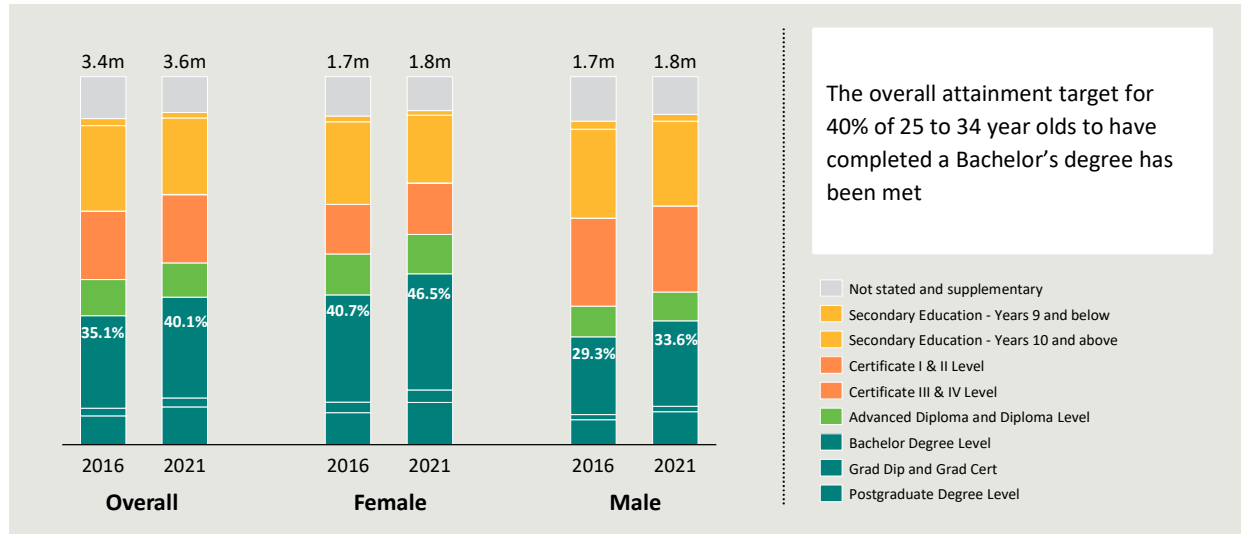
The Bradley Review in 2008 established a clear target for higher education attainment by 2020 – with 40% of all 25- to 34-year-olds holding Bachelor’s degree qualifications or above. This overall target was informed by current performance levels and is competitive with targets that were established in high performing overseas countries.

This represented a testing target for Australia given current levels of attainment at the time, with 29% of 35 to 34 year olds holding a Bachelor’s degree or above in 2008. The target has been effective in providing an overarching objective for the sector and clearly aligning with broader requirements of the Australian economy for a high skilled and increasingly knowledge-economy based workforce.

Overall the attainment target has been met with over 40% of young people now holding a Bachelor’s degree or above

Analysis of the 2021 census shows that over 40% of 25 to 34 year olds now hold a Bachelor’s degree qualification or above. This is a significant achievement given only 29% of 25 to 34 year olds held a Bachelor’s degree in 2008. By 2016, 35.1% of this cohort held a degree qualification, with the 40% target achieved in an overall measure by 2021 – as shown in Figure 1 below.

Figure 1 | Attainment by qualification level for 25 to 34 year olds, overall population, by gender

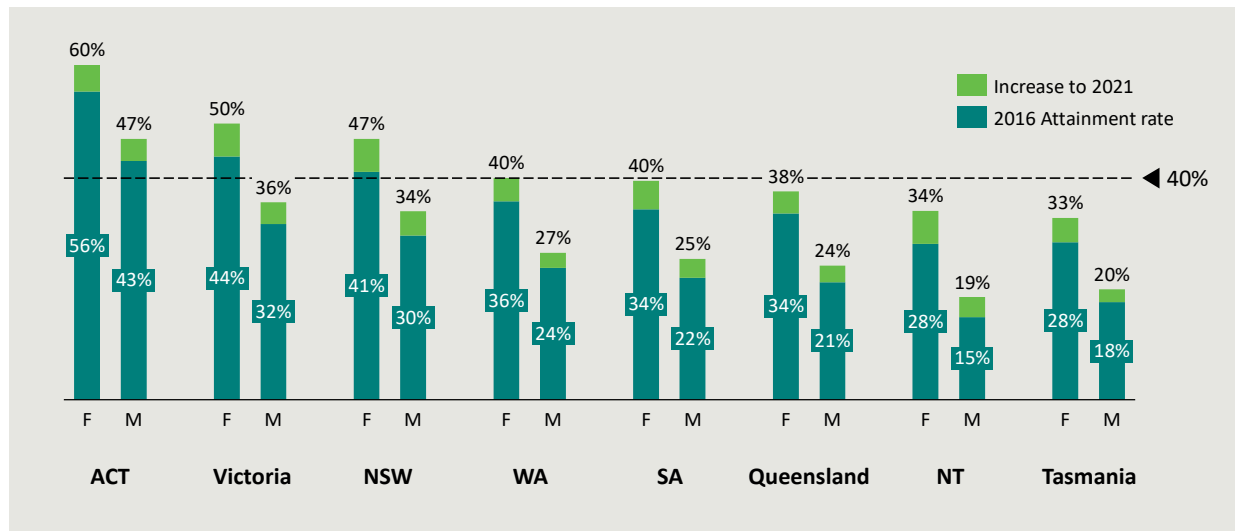


Attainment levels vary highly across different parts of the country and for different cohorts

Despite success in achieving this overall target, there remains substantial and concerning differences in attainment levels across different cohorts and segments. As represented above, a gender analysis shows significant differences in attainment levels. Males report a Bachelors' degree attainment level substantially lower than females with only 33.6% of males holding a Bachelor's level degree or above in 2021. In contrast reported VET participation levels (Certificate 1-4) are higher. Supporting increased higher education attainment of young males should be a key component of future targets.

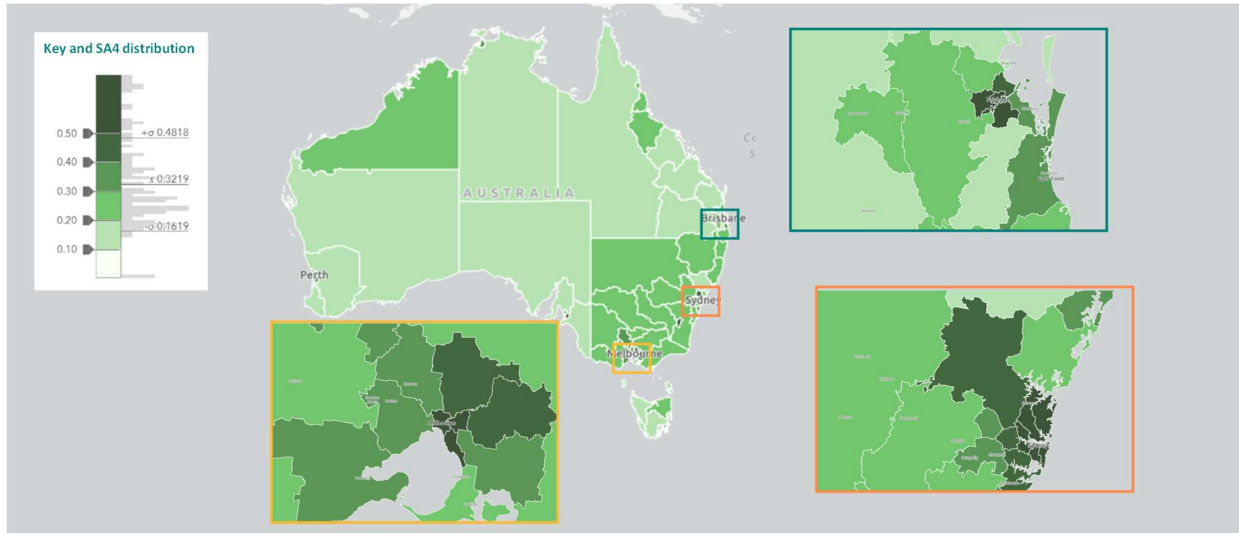
Several states and territories have not reached the overall target level of 40% - as shown in Figure 2 below. ACT has the highest level of attainment, followed by Victoria and New South Wales. These are the only three states that have reached 40% attainment. Northern Territory and Tasmania have the lowest level of attainment rates nationally. There are significant differences between male and female attainment across all states and territories with male attainment levels above the 40% benchmark target achieved only in the ACT.

Figure 2 | Bachelor's degree level attainment for 25- to 34-year-olds, citizens, by gender and state



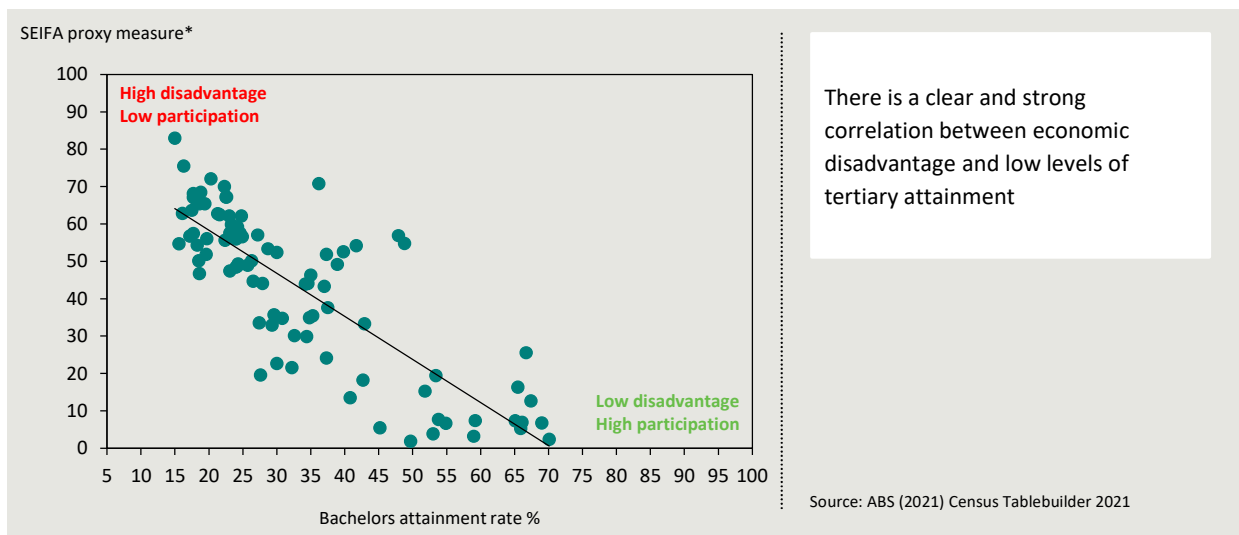
Considering attainment levels at the regional level, the differences in attainment between high attainment and low attainment levels are even more substantial. As shown in Figure 3, some SA4 regions have attainment rates above 60%, including most inner-city SA4s, while almost 20 SA4 regions have attainment rates below 20%. All SA4s have seen increases in attainment rates from 2016 to 2021.

Figure 3 | Bachelor’s degree level attainment for 25- to 34-year-olds, citizens, by SA4



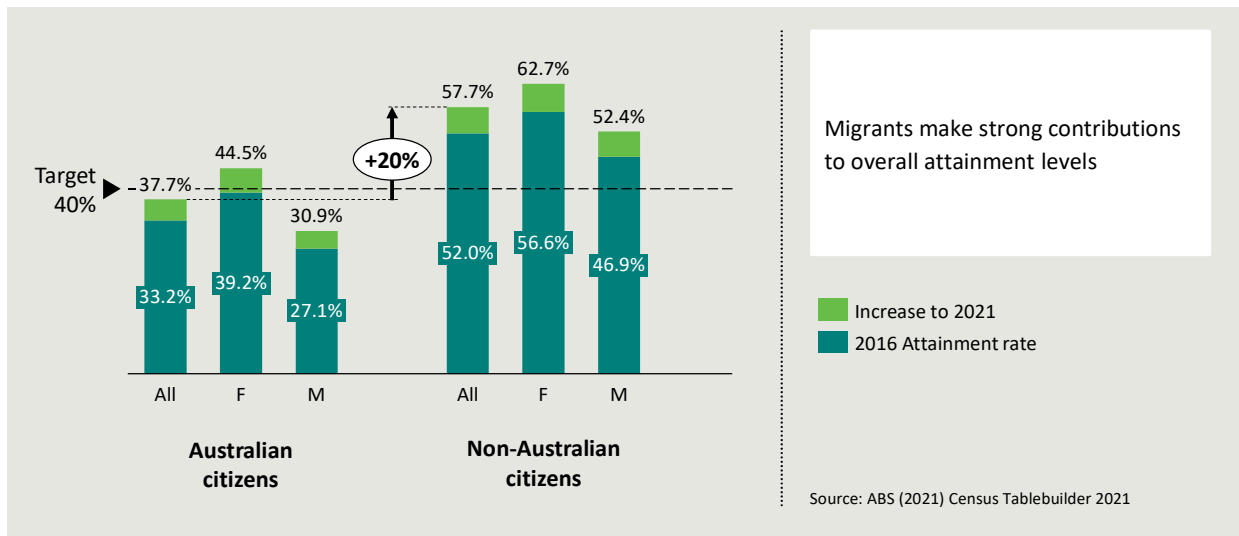
Many of these differences can be attributed to variations in socio-economic status of regions. Attainment rates are much higher in higher socio-economic status areas. In contrast, attainment rates are much lower for young persons that are living in SA4s with higher socioeconomic disadvantage. As shown in Figure 4 there is a clear and strong relationship between economic disadvantage and lower levels of attainment.

Figure 4 | Educational disadvantage and Bachelor level attainment, 25 to 34 year olds, by SA4, 2021



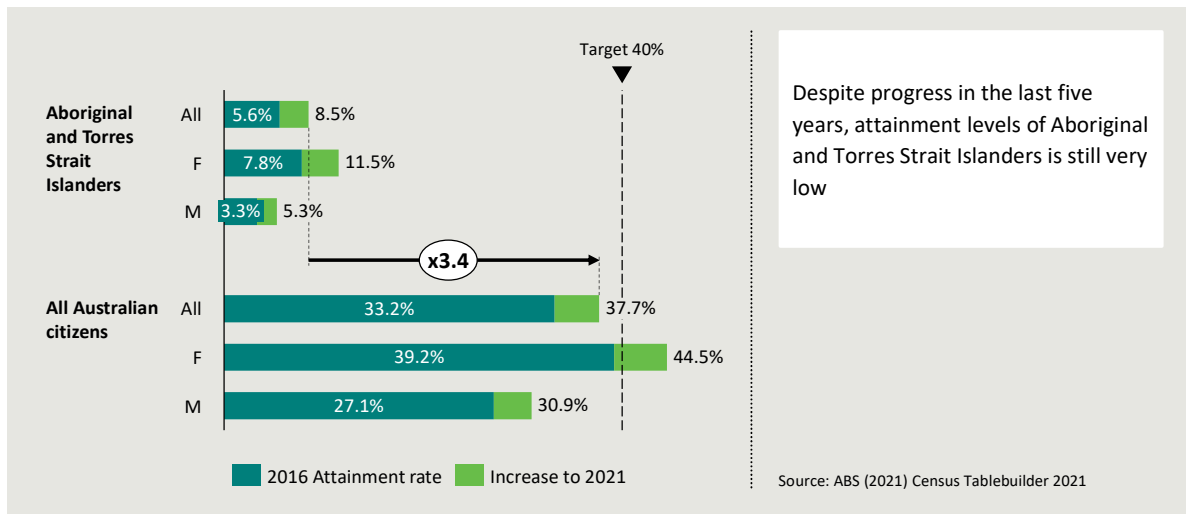
The value of migrants in achieving high attainment levels should also be commended, with comparably high participation rates for non-citizens as shown in the next figure.

Figure 5 | Bachelor's level attainment for Australian citizens and non-citizens, 25 to 34 year olds



There is also a significant gap in the attainment levels of Aboriginal and Torres Strait Islanders and other Australians. Aboriginal and Torres Strait Islanders have attainment levels of 8.5% overall – almost 3.5 times less than the rate of all Australian citizens. Despite this low overall attainment level, strong progress has been made in the past five years – with attainment increasing by over 50% from 2016 to 2021. This needs to be an ongoing focus of any reforms to the Australian higher education system arising from the University Accord review process.

Figure 6 | Bachelor's level attainment for Aboriginal and Torres Strait Islanders, 25 to 34 year olds



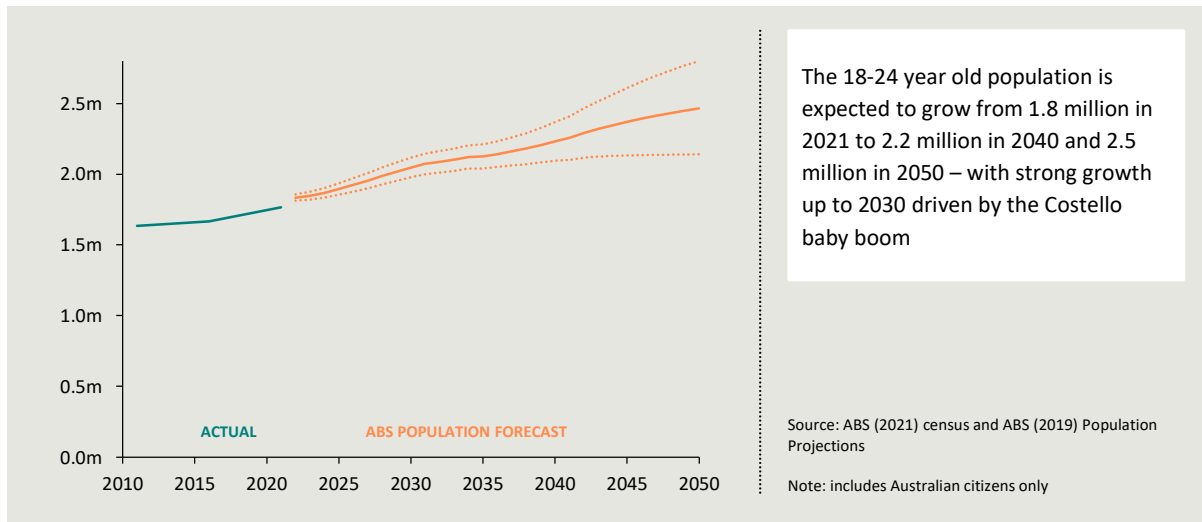
3.2 Future demand for higher education will see a minimum of an additional 150,000 students studying in 2040 but may be higher

The 2023 Navitas' Australian Higher Education Demand (NAHED) model provides analysis of future domestic demand for higher education

The 'Costello baby boom' and consequent demographic growth will result in increased demand for higher education

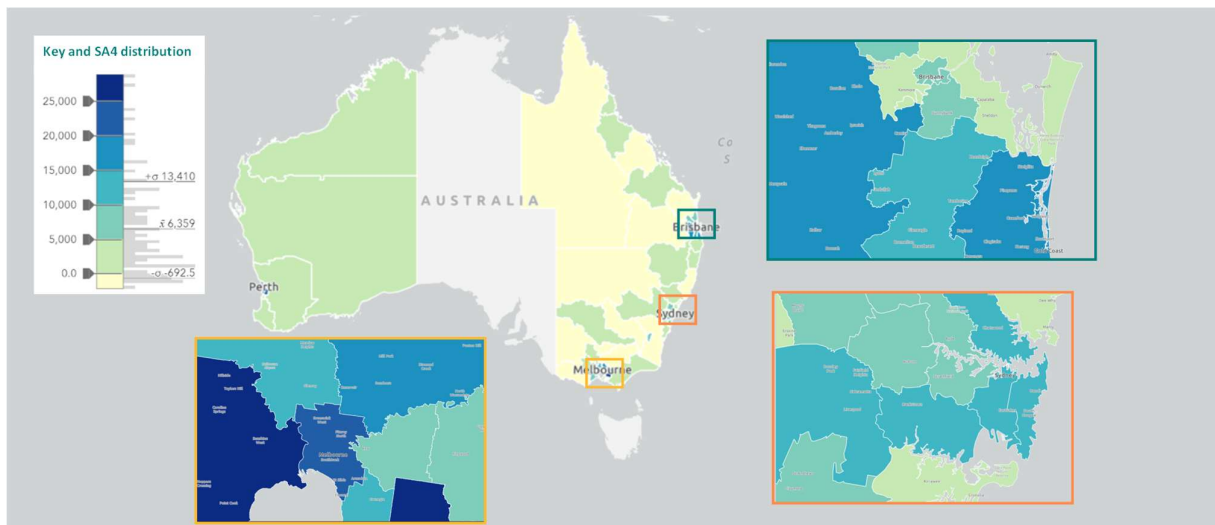
Demographic changes will result in increasing numbers of students over the next twenty years. An overview of the change in the number of 18-24 year olds is shown in the figure below.

Figure 7 | Total number of 18-24 year olds forecast across Australia, 2010-2040 (actual and forecast)



This population growth will also differ between regions. Population growth will be most significant in outer suburb regions with a significant increase in populations of young people in these regions – for example Logan and Ipswich in metropolitan Queensland and Western Sydney suburbs – as shown in the figure below.

Figure 8 | Net change in 18–24-year-olds, by SA4, 2040¹



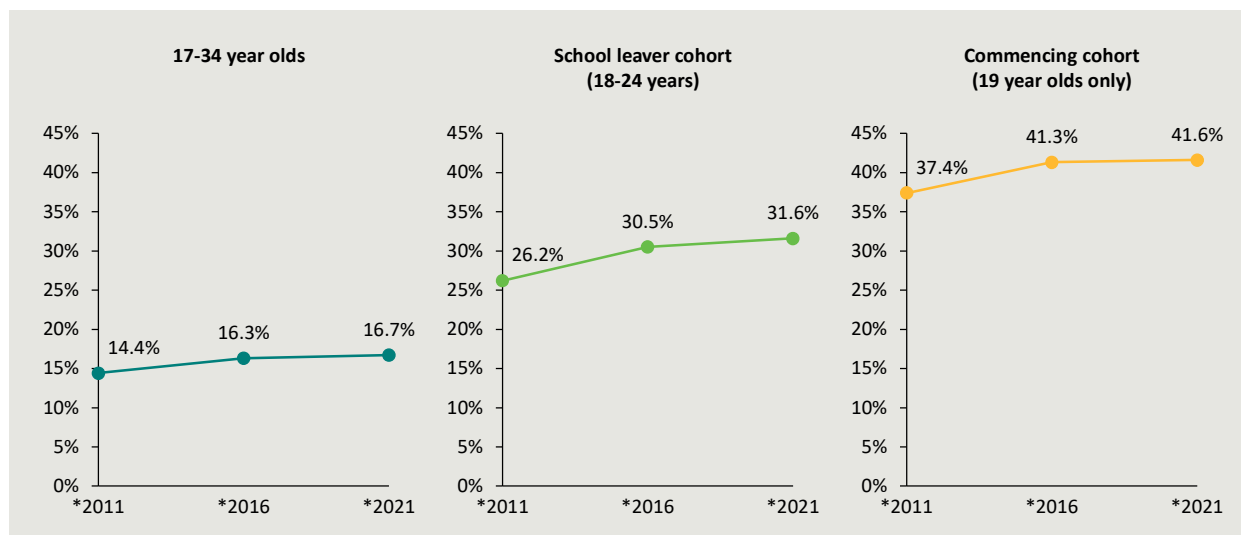
¹ Note: information is not included for South Australia, Tasmania and the Northern Territory as source data is not available for these state / territories.

There will be participation rate growth going forward, but the sector has seen slow growth levels over the past five years

Increases in participation has been a feature of the Australian higher education system over the last several decades. This has largely been in response to a modernising Australian labour market with increased demand for higher skills levels. Given most new jobs require a Bachelor’s degree as a base qualification , greater increases in participation are forecast and should be planned for by the sector over the next twenty years.

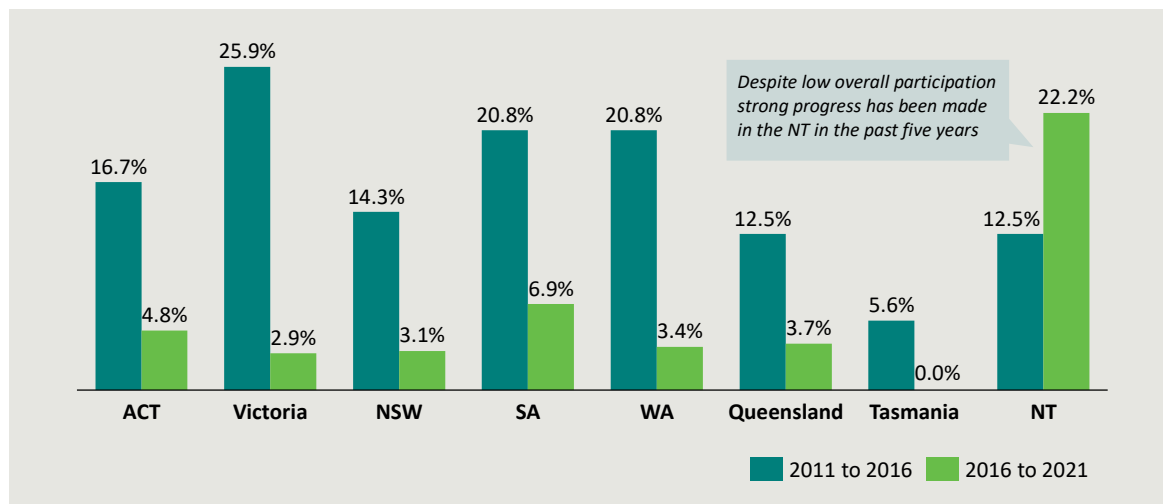
Currently just over 40% of 19 year olds study in higher education – as shown in Figure 99. While overall participation rates across targeted age cohorts have improved since 2011, the growth rate has slowed since 2016. Similarly in the school leaver and commencing cohorts, growth in participation rates from 2016 to 2021 have been modest with 1.1 percentage point growth in the 18-24 cohort and 0.3 percentage points for the commencing (19 year old) cohort. In the previous five years the national growth rate in these cohorts was 4.3 and 3.9 percentage points respectively.

Figure 9 | Participation rate in Higher Education only, Australian citizens, different age cohorts, 2011 to 2021



This reduced increase in participation rates is also shown in a state and territory breakdown. Growth in participation rates have been lower in the most recent five years, than the five years prior to that for all states and territories aside from the Northern Territory. The Northern Territory has achieved the highest increase from 2016 to 2021. In contrast, growth in participation in Tasmania has been negligible and growth in Victoria has been below 3%.

Figure 10 | Increase in participation rate in Higher Education only, Australian citizens, by state, 2011 to 2016 and 2016 to 2021



Growth has also varied by gender. There was almost no growth in male participation between 2016 and 2021. The 18–20-year-old cohort in particular saw declines in participation rates over this period (following strong growth from 2011 to 2016). This school leaver growth was also low for females, while the older, 23–25 year old cohort, maintained participation levels.

At the regional level some SA4 regions also experienced declining participation levels from 2011 to 2021. In total 11 SA4s had a lower participation rate in 2021 than it had in 2011.

In understanding the future demand for higher education, assumptions will need to be made on the expected increase in participation rates (both at a national, state / territory and regional level). This might reflect projections of growth based on historical performance and include targets developed through the University Accord review process. Initial work undertaken by Navitas on this has modelled two different sets of assumptions on participation growth:

- **A ‘no participation rate growth’ scenario**, which assumes no growth in participation levels for each state and territory above 2021 recorded levels. While we do not believe this is a likely scenario, it provides a minimum growth assumption for higher education demand to 2040.
- **Increase in participation levels in line with five-year trend**, with national aggregate participation rates for 18- to 24-year-olds forecast to rise to approximately 36.3% by 2040 (from 31.6% in 2024). As outlined above the most recent five years saw lower growth in participation rates than the period prior and, as such, this represents an initial ‘likely scenario’ which will need to be further validated and tested.

Navitas is currently refining the NAHED model and assumptions informing participation rates in accordance with forecast population data. We would welcome the opportunity to work with the University Accord panel and secretariat to ensure that the assumptions align with Commonwealth expectations of participation growth and, where appropriate, model the future participation and attainment targets being considered by the Panel.

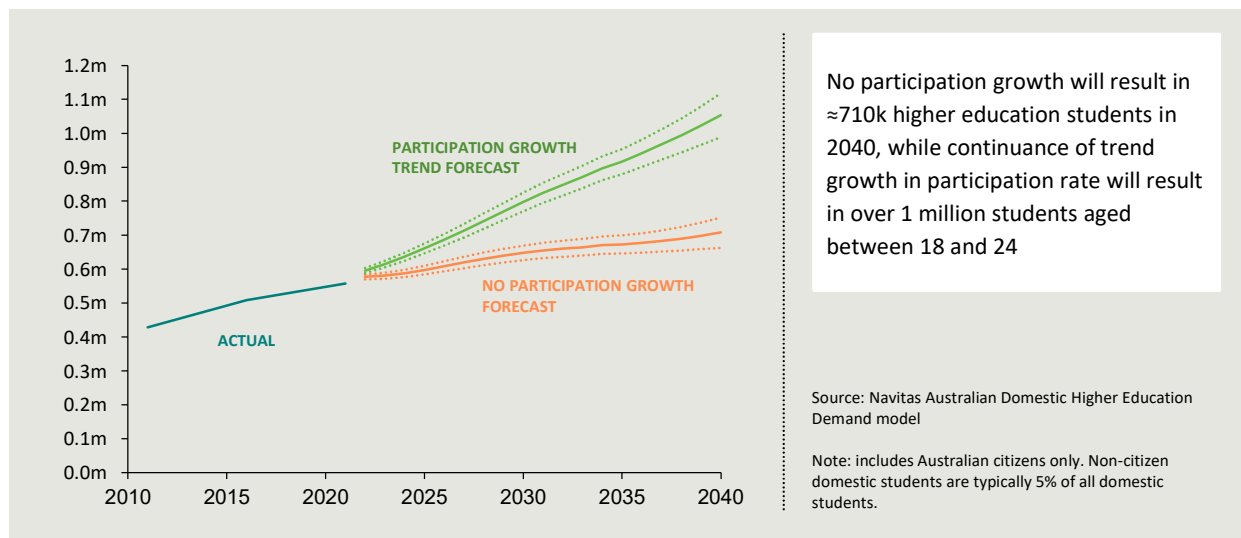
No further increases in participation will see at least 150,000 more studying in 2040 than in 2021, but participation growth may result in a 500,000 net increase

If there were no further increases in the higher education participation rate across the country, Navitas forecasts that there would be approximately 710,000 students aged between 18–24 studying in higher education in 2040. This alone would be a significant increase on existing student numbers – representing an additional 150,000 students studying in 2040 compared to 2021.

If participation rates were to continue to increase in line with current trends (and participation rates for 18–24-year-olds were to remain at approximately 36.3% by 2040), the total number of studying in this age range would be over 1 million. This would be an additional 500,000 students compared to 2021 levels.

These two sets of results are summarised in the figure below.

Figure 11 | Forecast total higher education student numbers, 2010 to 2040 (scenarios forecast and actual)



3.3 Existing policies will not be sufficient to meet this demand, an alternative approach that leverages the private sector is needed

Existing policy settings are not sufficient to meet this demand

Given this expected increase in overall demand for higher education there is a need to consider whether existing policy settings are adequate to meet this demand. From 2017, the Demand Driven model (DDS) was suspended with university funding frozen (in essence representing a cap on overall student numbers within the system). Analysis of the existing funding model (implemented through the Job Ready Graduates package) by Warburton has also shown that it has not supported additional places in Australia’s higher education system since it was introduced.² Alternate approaches are therefore required if the additional demand forecast is to be adequately met.

Even with changes to government policy that support funding this growth in demand for places there is an additional need to consider whether the existing institutional make-up and structure of the university sector is sufficiently well placed to meet this demand. Further work is required to understand what the implications might be in terms of the optimal number, size and shape of universities needed to meet this demand.

Navitas has scheduled further work in developing the NAHED model to include alternate scenarios, to identify implications for individual regions (at the SA4 level), consider differences across equity cohorts, and consider the supply of universities and reach of their existing catchment areas to meet future demand and participation targets.

There is a need for an alternative approach that leverages latent capacity in the independent higher education sector

Given the level of growth expected in the higher education sector over the next twenty years, there is a need to consider the public-private mix in the supply of higher education and the role of the independent sector in meeting future demand. The Bradley Review itself back in 2008 identified the need for the independent sector to assist in meeting future demand and participation targets (discussed further in Section 4).

The issue of whether the existing supply of Australian universities is sufficient to meet demand has also been raised by Andrew Norton who identified that ‘new institutions may be necessary to meet growth objectives’. Genuine considerations of the relative role of the private and public sector is necessary to ensure future enrolment

² Warburton (2021) ‘The rhetoric and reality of Job-ready graduates’

demand and the associated fiscal implications can be adequately met without compromising the high quality learning opportunities the current system provides.

Recommendation 1

The University Accord makes recommendations on appropriate settings to maximise the public-private mix that will be required to meet future demand for higher education and the policy changes essential to leveraging private investment in higher education in the national interest.

4. The higher education system does not disincentivise students to study with the provider that is most appropriate for them

This section outlines key elements of our vision for a future system that does not disincentivise students to enrol in their preferred course of study. It includes proposed changes to ensure students are not discouraged from studying with independent providers. A summary of key points is included below.

Summary of issues on removing disincentives for studying with independent providers:

- The Bradley review recognised the important role the private sector needs to play – recommending that they be included in the demand driven system once regulatory reforms had been established.
- For students there are currently significant disincentives to study with a private provider – including paying a 20% Loan Fee on your student loan, no access to Commonwealth subsidised places and more limited access to support funding than if you attended a university.
- The existence of the 20% FEE HELP Loan Fee results in higher levels of debt and longer repayment timeframes – an additional 3 years of repayments for the average female Psychology and IT graduate – and is inequitable, particularly for students from low SES backgrounds that have chosen to study with independent providers.
- There are opportunities to better leverage the independent sector in delivering CSPs in key areas of skills shortage. This would maximise supply across the system where there are identified shortages.

4.1 The independent sector will be an even more important part of the sector in 2040

The Bradley Review recognised the important role the private sector could play

The Bradley Review in 2008 recognised that the structure of the higher education sector had changed in the decades leading up to the review, outlining that the ‘public-private divide is no longer a sensible distinction’. This recognised the important role of the private sector and its contribution to the broader Australia higher education system.

The review recommended greater public investment to develop a higher education system accessible to all Australian students as critical to achieving participation targets for the general population and underrepresented groups. To meet these targets, the Review panel stated: “a more deregulated system is necessary. It [the panel] proposes that, in a staged process, access to Commonwealth funds be made available to a wider range of eligible providers.” This vision of a staged development of a more deregulated system was outlined as a ‘demand-driven entitlement’ in the Bradley Review panel’s recommendation:

That the Australian Government introduce a demand-driven entitlement system for domestic higher education students, in which recognised providers are free to enrol as many eligible students as they wish in eligible higher education courses and receive corresponding government subsidies for those students.

The arrangements would:

- Apply initially to undergraduate courses but then be extended to postgraduate coursework level courses subject to further work on the balance of public and private benefits at that level of study
- Apply initially only to public universities (Table A providers under the Higher Education Support Act 2003), but would be extended to other approved providers when new regulatory arrangements are in place
- Set no time or dollar limit on the value of the entitlement
- Allow providers to change the mix of student load by discipline cluster in response to demand, and
- Allow the Government to exclude a course of study from the demand-driven system if it wished to regulate students or graduate numbers.

Professor Bradley recognise the important role that the private sector should play as part of the Australian higher education system, supporting access to Commonwealth funding to support broader objectives around participation and access.

Positive steps have been made since Bradley, but the reform agenda has not been fully realised

There have been significant changes since the Bradley Review in 2008. The 'new regulatory arrangements' referred to in the Bradley Review have created a stable, high quality sector. In 2022, provider numbers are largely unchanged from 2008, with one additional private university and other changes arising through amendments to TEQSA categories or HESA tables. The number of non-university providers has also remained relatively constant.

With the new regulatory arrangements now well established however – more than ten years after the creation of TEQSA and with three iterations of the Higher Education Standards framework – the funding arrangements envisaged in 2008 remain largely determined by institution type. Commonwealth Supported Places (CSPs) continue to be the domain of Table A universities (with a few exceptions), varying HELP scheme characteristics are determined by provider type and funding programs targeting equity group participation are in most cases limited to Table A and B providers.

The size of the sector too remains largely unchanged, with around 10% of all domestic higher education students in Australia attending private institutions.

The independent sector will be critical in 2040 to meet demand and support government challenges

As outlined, population growth, demographic changes and further increases in participation levels will also drive increased demand for higher education over the next twenty years and beyond. The private sector has a valuable role to play in meeting this demand and ensuring that young Australians (as well as mature aged students) can gain the skills and education that will support them to be successful in the workforce. In this way, whilst the private sector plays an important role now, its role will become more important over the next period as the sector responds to increasing demand and a broader range of challenges that the sector and government is seeking to address.

This realisation was outlined in La Trobe University's submission on the University Accord priorities. The submission put forward that a future system should 'limit the size of universities in favour of growth elsewhere in the higher education system' and that 'a funding model should apply to all forms of higher education provision'. More specially the submission also identified that growth in higher education provision and equity targets could be achieved by 'placing some future growth in the NUHEP sector'.

This acknowledges the important potential role that the private and non-university sector can play in a re-imagined higher education system.

4.2 There are currently disincentives for students studying with non-university providers and restrict student choice

The 20% FEE-HELP Loan Fee is a significant disincentive to studying with a non-university provider

Students studying with non-university providers do have access to FEE-HELP, so are able to take out a loan to undertake their higher education studies. However, a 20% Loan Fee is applied to students that study with an independent non-university provider and utilise FEE-HELP. The inequity is perhaps best illustrated by the Loan Fee being levied exclusively on a student population with the with least demand on the Commonwealth, with these students themselves paying the full cost of their course.

The requirements for some students to pay the loan fee is arbitrary. Currently, only UG students enrolled in foreign universities and independent non-university providers are required to pay the loan fee – as shown below. PG students (at all institutions) and UG university students are not required to pay the fee. The rationale for this is not clear. It is also inconsistent and inequitable.

Figure 12 | Application of HELP Loan Fee by student and provider type, as at April 2023

Student type	Provider type	Loan fee	Loan scheme
UG degree	Public university	0%	HECS-HELP
PG degree		0%	FEE-HELP
UG degree	Private university	0%	FEE-HELP
PG degree		0%	FEE-HELP
UG degree	Foreign university	20%	FEE-HELP
PG degree		0%	FEE-HELP
UG degree	Independent provider	20%	FEE-HELP
PG degree		0%	FEE-HELP

There are several policy reasons why the 20% FEE-HELP Loan Fee should be removed.

Firstly, **the loan fee substantially increases the debt burden of study, particularly impacting women students** and negatively reinforces low levels of economic participation. While access rates for women in higher education have increased, there are still differences in labour market outcomes compared to men. Female participation levels in the workforce remain lower than males. A gender pay gap continues to persist for a range of reasons, including division of childcare responsibilities. The Australian Human Rights Commission identifies that this results in female students taking longer to re-pay their students debts.

For female students in the independent higher education sector, this issue is compounded. First, by the lack of access to government subsidised places (resulting in higher fees) and secondly due to the additional 20% FEE-HELP Loan Fee. Navitas has undertaken indicative analysis of the impact on women studying in two program areas – Psychology and Information Technology. In both study areas – the 20% FEE-HELP Loan Fee results in longer repayment and lower post-tax income of graduates of independent higher education providers.

Figure 13 | Additional repayments and loan duration due to the 20% FEE-HELP Loan Fee

Example student	Duration of loan	Additional repayments due to loan fee	Additional weekly repayments due to loan fee
Female Psychology student	28 years (with additional 3 years due to loan fee)	+\$30,000 in repayments over life of the loan	Additional \$130 weekly repayments in final 3 years of loan (7% of post-tax income)
Female IT student	25 years (with additional 3 years due to loan fee)	+\$30,000 in repayments over life of the loan	Additional \$85 weekly repayments in final 3 years of loan (5% of post-tax income)

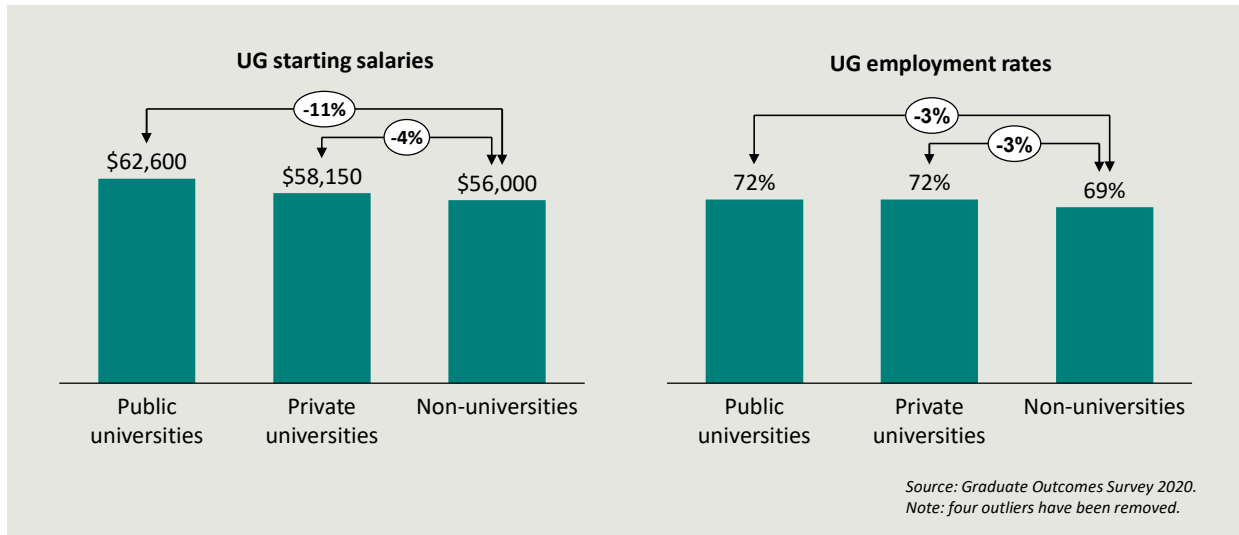
Secondly, the loan fee is an **unfair charge for students from low SES backgrounds that are studying in the independent sector** and represents an additional burden for graduates with low lifetime earnings. The independent sector supports access to low SES students, enrolling a comparable proportion of students from the lowest and second lowest quartile as the university sector. Despite being from low-income backgrounds, these students are required to pay an additional 20% FEE-HELP Loan Fee that is not levied in the university sector. This, combined with the higher costs for non-CSP higher education places, means that they take on higher levels of debt than a young person from a wealthier background who accesses university. This is inequitable when HELP scheme settings should support equal access for all students. Students that do not achieve high earnings following study are also further disadvantaged by the 20% FEE-HELP Loan Fee. For lower income earners, the 20% FEE-HELP Loan Fee can increase repayment years by up to 6.5 years, further perpetuating the equity gap. The current financial environment with high inflationary impacts on indexed student debts further extends repayment timeframes.

Thirdly, despite having to pay the Loan Fee, there is **no clear evidence that students that study at independent higher education providers represent a greater risk of not repaying their student loan debts**. Starting salaries and employment rates are comparable for the independent and university sectors, which makes the rationale for the loan fee particularly unclear. The rationale at introduction of the loan fee for independent higher education providers was that it would offset a perceived increased risk of 'doubtful debt' from students studying in the independent sector. The fee originally applied to independent non-university providers and private universities, however, now only applies to students studying with non-university higher education institutes after the loan fee was removed for students studying in private universities from 2019. While the appropriateness of a loan fee to

repay 'doubtful debts' is contested,³ there is also no evidence that graduates from independent higher education providers represent a significantly higher risk than university graduates (both public and private).

Loan repayment is the product of both graduate's salaries and employment rates. The lower the salary, or the worse the employment rates, the higher the probability of doubtful debt. The independent sector's performance is shown in the figure below. While longer term employment figures are not publicly available there is not clear evidence that students at independent providers provide a greater risk. Norton also identifies there are a range of factors that contribute to 'doubtful debt' – including differences between disciplines, female participation levels and incomplete higher education programs. Significantly these are not unique to the independent higher education sector.

Figure 14 | Employment rates and starting salaries for university and non-university graduates, 2018-2020



There are also a range of broader arguments that support the abolition of the loan fee, including:

- The FEE-HELP Loan Fee has contributed less than 1% to the overall 'doubtful debt' and the exemption of the Loan Fee since 2020 has shown it is not a necessary source of government revenue.
- The exemption in response to the pandemic also recognises the barrier it creates to participation, with the removal seen as a stimulus measure to support additional demand for study.
- In effect the Loan Fee means that independent higher education students are currently covering the interest costs for university students to take out an interest free loan, with interest of government borrowing essentially subsidised the same amount that is realised through the FEE-HELP Loan Fee.
- The Loan Fee is one of many policy settings that undermines the competitive neutrality of the Australian higher education sector.

Navitas notes also that the Productivity Commission has recently recommended that 'loan fee arrangements should be equalised across the tertiary sector' and 'levied on all students regardless of type'.⁴ While the preference would be for the removal of the loan fee, an equitable Loan Fee across the sector would also be supported by Navitas. With the need to encourage more students into higher education, Navitas believes it is critical that the Loan Fee is removed or equitably applied to all students as an ongoing part of the system.

Recommendation 2

Permanently abolish the 20% FEE HELP Loan Fee OR equitably apply a lower fee across all students studying in higher education programs.

³ See Norton (2018) 'Mapping Australian Higher Education 2018', Grattan Institute
⁴ Productivity Commission (2023) '5 Year Productivity Inquiry: Advancing Prosperity'

Additional barriers exist for students studying with non-university providers – with support funding restricted as they are not studying at universities

The diversity of Australian higher education providers, which includes large comprehensive universities with urban and regional footprints, pathway colleges, teaching-focused independent institutions, faith based and secular providers, and smaller, niche providers bring opportunity to meet the diverse educational needs the Australian society. Despite this, many students that choose to study at non-university providers are also not eligible to receive funding for different forms of support that they would receive if they attended a university. This disadvantages only the student, who has made a choice that the non-university institution is most appropriate for them, considering their educational goals, learning needs and personal circumstances.

There are a range of contexts this applies to. For example, funding arrangements targeted to equity group participation and support are often limited to Table A (university) providers. This includes the Disability Support Program (DSP), Indigenous Support Program, Higher Education Participation and Partnership Program (HEPPP) and OS-HELP. Despite not receiving funding in these areas, the independent sector makes comparable contributions to supporting student equity. As noted in a study from NCSEHE by Brett et al., in 2016 the participation rate for low SES students was higher in non-university higher education providers than universities (16.8% compared to 16.1%).⁵

Finally, lack of access to CSP in areas of skills shortage means all available supply is not being utilised where more graduates are required

There is an opportunity for the Universities Accord to reconsider higher education funding arrangements in the context of harnessing the capability and investment of Australia's high quality independent sector. This includes considering whether Commonwealth subsidies being largely restricted to Table A universities has impacted the achievement of participation targets and has limited in the sectors capabilities to meet the needs of industry and address skills shortages.

At present, non-university provider access to Commonwealth Supported Places (CSPs) is limited, with most providers offering full-fee programs to domestic students in all courses. As noted above, there have been calls to extend CSPs to non-university providers – including by Professor Bradley as part of her recommendations on the demand driven system and more recently and more recently by La Trobe University as part of their submission on University Accord priorities.

Non-university providers have shown strong capacity to deliver government subsidised programs over the past three years, with successful delivery of both Undergraduate Certificates and Postgraduate Certificates to domestic students as part of the pandemic stimulus response. This capability, alongside the presence of an established quality regulator, should provide assurance that the maturity and quality of the independent sector supports an ability to deliver CSP programs.

While open to a broader extension of CSPs to non-university providers in the medium term, Navitas believes that the greatest opportunity in the short-term is in areas of skills shortage. It is our view that every effort should be made to remove supply barriers in key areas of skills shortage – such as nursing – through incentivising delivery of these programs by both the public and independent sector. Optimising supply across the higher education system is critical to ensure sufficient graduates are training in key skills shortage areas. This will ensure there are no barriers to students to study with the provider that is most appropriate to them – including based on geography, pedagogy, and personal circumstances.

To support this, Navitas would propose **providing access to CSP funding for all students studying in select occupations with severe skills shortages (such as nursing) irrespective their enrolment with a public university or independent higher education provider.** This would require changes to the *Higher Education Support Act 2003* to ensure students studying in specific fields of education are able to access CSP funding, including students that study in programs at independent providers.

Recommendation 3

Amend the Higher Education Support Act 2003 to ensure all higher education students studying in areas of skills shortage (such as nursing) are able to access CSP funding to support increased supply and talent pipeline in key areas of skills shortage.

⁵ Brett et al. (2018) 'Equity at and beyond the boundary of Australian higher education', NCSEHE

5. The higher education system supports ‘pathway’ programs to increase participation and success for students from disadvantaged backgrounds

This section outlines our proposals for an increased focus on pathway programs to support students that are less academically prepared for university level study as part of a future model for higher education in Australia. Navitas proposes that an expansion of the pathway model can provide greater opportunities to improve both the participation level and academic success for domestic equity students. A summary of key points is included below.

Summary of issues on the role of pathway programs in Australian higher education:

- While access rates have improved for most equity cohorts, improvement has not been as strong on student retention and success measures.
- Pathways programs are distinct specialist programs that aim to facilitate the transition of students into university level study.
- These programs deliver positive student outcomes – with pathway students achieving comparable outcomes to direct-entry students during subsequent university level study – and better outcomes when other relevant factors, such as ATAR, are controlled for.
- There is limited funding available for pathway programs – with enabling programs accounting less than 2% of all Bachelor funding – and specialist non-university providers ineligible for Commonwealth Supported Place (CSP) funding.
- Navitas recommends targeted investment in pathway programs to ensure equitable access and success for students from disadvantaged backgrounds
- These issues underscore importance of continued attention and investment in pathway programs to promote academic excellence and social mobility among diverse student populations in Australian higher education.

In the context of this submission pathway programs refer to all programs that are designed and delivered with the aim of supporting transition to a university learning environment. This includes both non-award programs (such as enabling programs) as well as award-level programs (including Diploma programs).⁶

5.1 Following the Bradley Review, there was a significant increase in access for disadvantaged student cohorts, but performance on both access and student outcomes has faltered

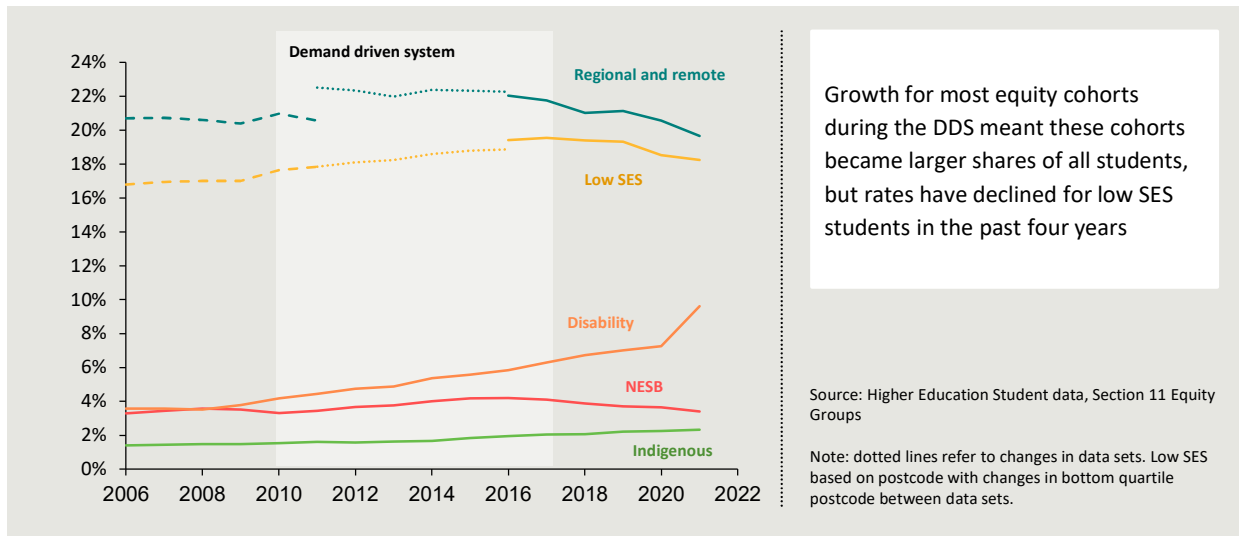
Access rates have improved across most identified equity cohorts

In response to the Bradley Review in 2008, the Demand Driven System (DDS) was introduced in 2008. As is well understood, the DDS ‘uncapped’ the number of higher education places that were in the system in Australia, thereby increasing access to higher education for students who may not have otherwise pursued it.

One of the key aims of the DDS was to support increased participation by students from disadvantaged backgrounds (also known as equity cohorts) who historically have had lower levels of access to higher education. While the overall equity target of 20% of higher education students coming from low socio-economic backgrounds was not met, there were notable improvements in access rates for students from diverse backgrounds – as shown in the figure below during the period from 2010 to 2017. For low SES and regional and remote students in particular, access rates have declined since 2017.

⁶ See National Association of Enabling Educators of Australia (2019) ‘Declaration on Enabling Education in Higher Education’

Figure 15 | Change in access rates for select equity cohorts, undergraduate students, 2008 to 2021⁷

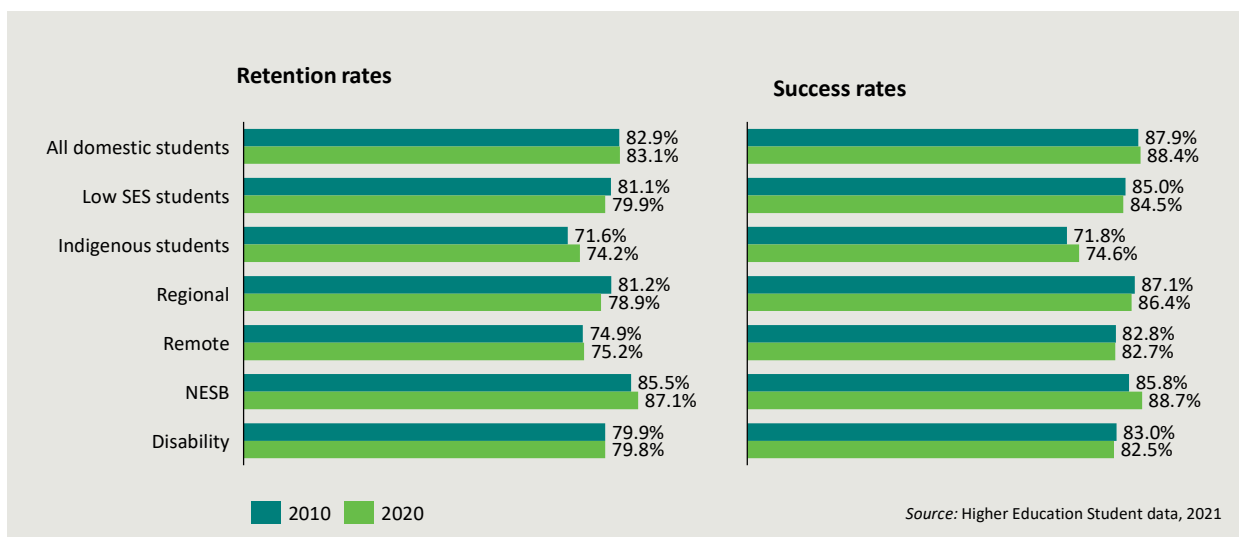


This represents a strong increase in access over the period of the DDS, which has continued through to 2021.

There has been minimal improvement in attrition levels for these cohorts or their success once at university

Despite improvements in access to university for equity cohorts from disadvantaged backgrounds, student outcomes for equity cohorts have not kept pace. There remains significant challenges with the success of these students once they are at university. Specifically, there has been minimal improvement in retention rates or success levels for many of these cohorts and a significant gap remains compared to non-equity students. The overall performance levels for many of these key equity cohorts shows a decline in both success rates and retention rates – as shown in the figure below.

Figure 16 | Change in student success measures for all students and key equity cohorts, 2010 to 2020⁸

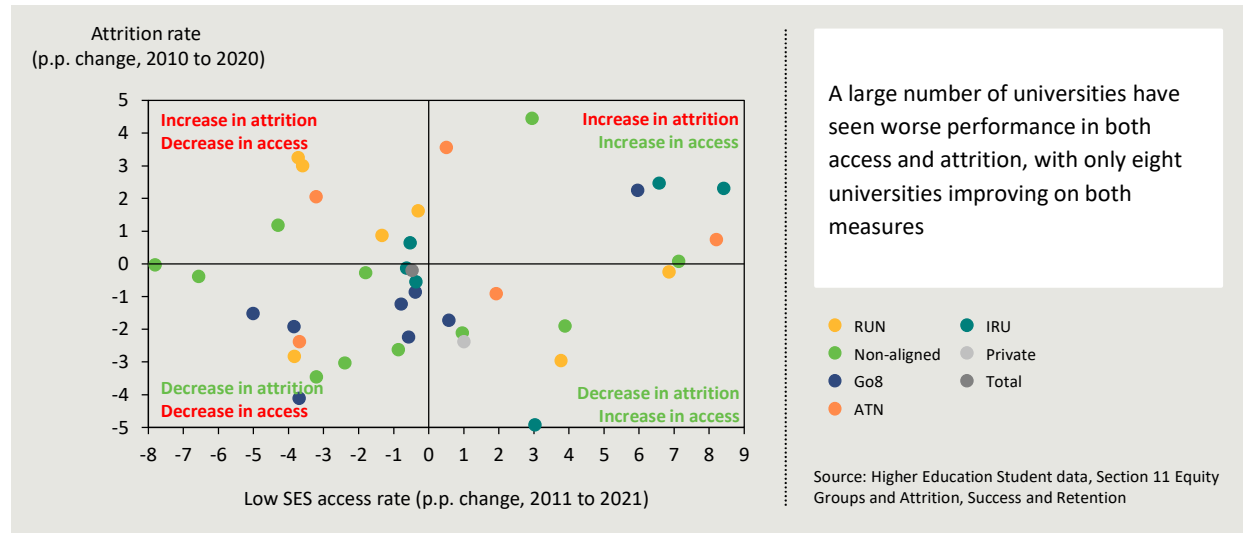


⁷ Department of Education (2021) Selected Higher Education Statistics – 2021 Student data. ‘Access rate’ refers to the share of all undergraduate commencing domestic students that identify in one of the equity cohort groups.

⁸ Department of Education (2021) Selected Higher Education Statistics – 2021 Student data

This challenge is also evident at the individual university level, with very few universities being able to significantly contribute to both support access and success for equity students. De-identified university level data is provided to illustrate this challenge.

Figure 17 | Change in access and attrition rates for low SES students, by university grouping types, 2011 to 2021⁹



Some universities have been able to support objectives around student access through their admissions but have been challenged to maintain their previous levels of retention. In contrast, other universities (often with exclusive entry requirements) have experienced high retention rates but have not significantly supported student access.

In 2019, the Productivity Commission identified the challenges with the DDS in supporting student success, highlighting that while the DDS ‘succeeded in increasing the number of students and made progress in improving equity of access’ there was a need for greater academic support for students who were ill-prepared and struggling academically. It also identified the need for attention on the ‘growing risks of dropping out’ and recognised that ‘additional students need greater academic support to succeed’.¹⁰ The above figure shows that relatively minimal progress has been made in supporting student success.

There are also emerging concerns that entry requirements are continuing to be reduced by universities without providing additional levels of support to ensure that students are well equipped to succeed. Recent analysis has identified a worrying trend that for lower ATAR applicants the overall offer rate has increased. This includes an increase in offer rate from 18% to 55% for students with ATARs below 50 and from 64% to 81% for students with an ATAR from 50 to 60.¹¹ Given the strong relationship between ATAR levels and completion and attrition rates – with lower ATAR scores relating strongly to higher levels of attrition – this is a cause for concern. Notably, students from low SES backgrounds and other equity cohorts typically have on average lower ATAR scores than the broader student population.¹²

These findings highlight the need for continued efforts to support equity cohorts in Australian higher education, including addressing the barriers to success faced by these students in their academic pursuit.

⁹ Department of Education (2021) Selected Higher Education Statistics – 2021 Student data

¹⁰ Productivity Commission (2019) ‘The Demand Driven System: a mixed report card’. Available at: [The Demand Driven University System: A Mixed Report Card - Research Paper \(pc.gov.au\)](https://www.pc.gov.au/research/indicators/education/2019)

¹¹ Joseph (2023) ‘ATAR’s rising relevance: Exploring admission standards and the falling completion rates of school leavers at Australia’s universities’, The Centre for Independent Studies

¹² University Admissions Centre (2020) ‘Socio-economic status and the ATAR’. Available at: [Socio-economic status and the ATAR \(uac.edu.au\)](https://www.uac.edu.au/research/socio-economic-status-and-the-atar)

This has resulted in high levels of non-useful debt for students that never completed their studies

This rise in attrition levels and the subsequent surge in participation over the course of the DDS, in particular for those from disadvantaged backgrounds, has resulted in a significant increase in non-useful debt borne by students. This means that student who do not complete their studies hold HECS-HELP debt for units undertaken, without obtaining any qualification.

According to Rob Joseph, this situation results in inefficient use of government resources through the government's contribution to the student fees', but more importantly 'it is a waste of money and time for those students themselves, who will incur the cost of debt for classes taken without the benefit of a qualification'.

Navitas' contends that admitting students who are unlikely to succeed is not only unfair, but it also leads to a significant financial burden for the student, who may bear the cost of debt for units undertaken without the benefit of a qualification. This situation is particularly problematic when less academically prepared students are admitted, without the necessary additional support to ensure their success.

5.2 'Pathway' and other preparatory programs are very effective in supporting student success for less academically prepared students

Pathway programs are specialist programs that aim to support less academically prepared student to transition to a higher education environment

Pathway programs are specialist programs that aim to support a student's successful transition to a university learning environment. As outlined, these programs can include diploma level programs or non-award enabling courses. Pathway programs aim to bridge the gap between a high school learning environment and university level study – as shown below. These programs are a valuable option for students that may be less academically prepared to commence their university studies, providing them with a structured and supportive pathway to success.

Figure 18 | Key features of a 'pathway' model

Student lifecycle stage	Category	School model	Pathway model	University undergraduate model
Application	Preparation	n/a	<ul style="list-style-type: none"> Alternative entry requirements Designed to support less academically prepared students Support provided through application process, including counselling 	<ul style="list-style-type: none"> Standard entry requirements Traditional method may not support those that require additional assistance
Onboarding & orientation	Transition in	n/a	<ul style="list-style-type: none"> Pre-arrival and support program Orientation and induction, with strong focus on peer mentoring 	<ul style="list-style-type: none"> Limited engagement before course commencement Orientation programs and information sessions
Student life & Learning	Sense of belonging		<ul style="list-style-type: none"> Increased focus on fostering relationships through engagement amongst students and staff 	<ul style="list-style-type: none"> Less of an intentional focus on supporting student 'belonging'
	Mode of instruction	Entirely classroom-based delivery	<ul style="list-style-type: none"> Predominately classroom based delivery 	<ul style="list-style-type: none"> Predominately lecture based delivery
	Class size	Small class sizes	<ul style="list-style-type: none"> Smaller class sizes (no more than 30 students), with focus on personalised instruction and support from teachers Individualised attention to meet the needs of each student 	<ul style="list-style-type: none"> Large class sizes (often 50-300 per class), with limited opportunity for interaction between students and instructors
	Learning environment	Structured learning environment	<ul style="list-style-type: none"> A structured environment with clear learning objectives and a set curriculum to follow 	<ul style="list-style-type: none"> Can be complex and less structured, with students managing their schedules and course requirements
	Teaching approach	School-based curriculum approach	<ul style="list-style-type: none"> Interactive and student-centered approach Students take active role in own learning Underpinned by principles of transition pedagogy 	<ul style="list-style-type: none"> Predominately one-way communication model (in lectures) to provide information
	Curriculum	Study range of subject areas, including core required skills	<ul style="list-style-type: none"> Study in specialised subject area, but alongside preparatory courses (such as development math and writing) Focus on broader skills – such as academic skills, teamwork, critical thinking and communication 	<ul style="list-style-type: none"> More standardized and rigid curriculum Specialised in depth study of chosen subject Limited focus on broader transferable skills
	Assessment	Mix of formative and summative assessments Significant guidance provided to students	<ul style="list-style-type: none"> Mix of formative and summative assessment Guidance and support provided for students to understand assessment requirements Tailored assessment standards to needs and abilities of diverse student cohort 	<ul style="list-style-type: none"> Increased focus on summative assessment Use of standardised assessment criteria
	Support services	Wide-range of accessible support services	<ul style="list-style-type: none"> Accessible support supports that are easily accessible to students Broader range of services for academic, personal and social needs 	<ul style="list-style-type: none"> Often centralised support services that require student to navigate them independently
Progression & alumni	Transition out	Intended to support transition to further study.	<ul style="list-style-type: none"> Aimed to support mainstream university program transition Strong academic outcomes in subsequent study 	<ul style="list-style-type: none"> Aimed to support transition out to labour market (or postgraduate study)

A review of the literature shows there are five core areas that support effective delivery of pathway programs – scaffolded support for skills development, focus on both academic skills and independent learning skills, more intensive academic student support and alignment with the curriculum of the higher education partner.

Figure 19 | Features of an effective pathway model



Scaffolded support for skills development, through a supportive learning environment where students can gain knowledge and perform tasks supported by scaffolding, before tasks can be performed unassisted (Wilson & Devereaux 2013).



Focus on development of academic skills, including critical thinking and academic literacy skills (MacQueen et al, 2016; Manning, 2018).



Focus on building independent learning skills, with some students reporting increased self-reliance (Katkins, 2011). This includes through student centred learning with the teacher as a guide (Allen 2019).



More intensive academic student support, including through delivering in **smaller class sizes** and increased contact time between students and teachers (Rahilly & Hudson 2018).



Alignment to higher education partner curriculum and tailored provision to specialist fields of study (Manning 2018; Rahilly & Hudson, 2018).

Navitas endorses the University Accord Consultation Paper's contention that students from under-represented groups require supportive pathways and effective academic supports. We believe that existing pathway models, if properly supported, can be instrumental in addressing challenges around access and success for under-represented groups of prospective students. Traditional university entrance requirements and learning environments are not effective for all students and Navitas contends that a pathway model, , has significant advantages in supporting both access and success for low ATAR and students from equity backgrounds. Navitas' programs, as well as other Diploma pathway programs, are designed to support students' entry into second year bachelor programs by ensuring they are suitably prepared for admission. This means that the overall program duration is the same length as that of direct entry students, thereby minimising time and cost.

For many students pathway programs provide a more appropriate alternative to vocational study, since they are explicitly designed to support a smooth transition to university-level learning environment, thereby minimising the challenges faced by students

transitioning from VET study to higher education. Recent research undertaken by NCSEHE demonstrated that 'students who articulate via an enabling program report higher satisfaction with their educational experience than those who undertake a VET pathway'.¹³

These programs have been shown to effectively support successful student outcomes during subsequent university study

Evidence for the efficacy of pathway programs is very strong. Analysis of the Department of Education's data on attrition and retention indicates that students undertaking (sub-bachelor) pathway programs on average have lower attrition rates and higher retention rates than their counterparts undertaking first year studies in a bachelor program. These findings hold true even when considering the relatively lower levels of academic preparedness of pathway program students at the commencement of their studies.

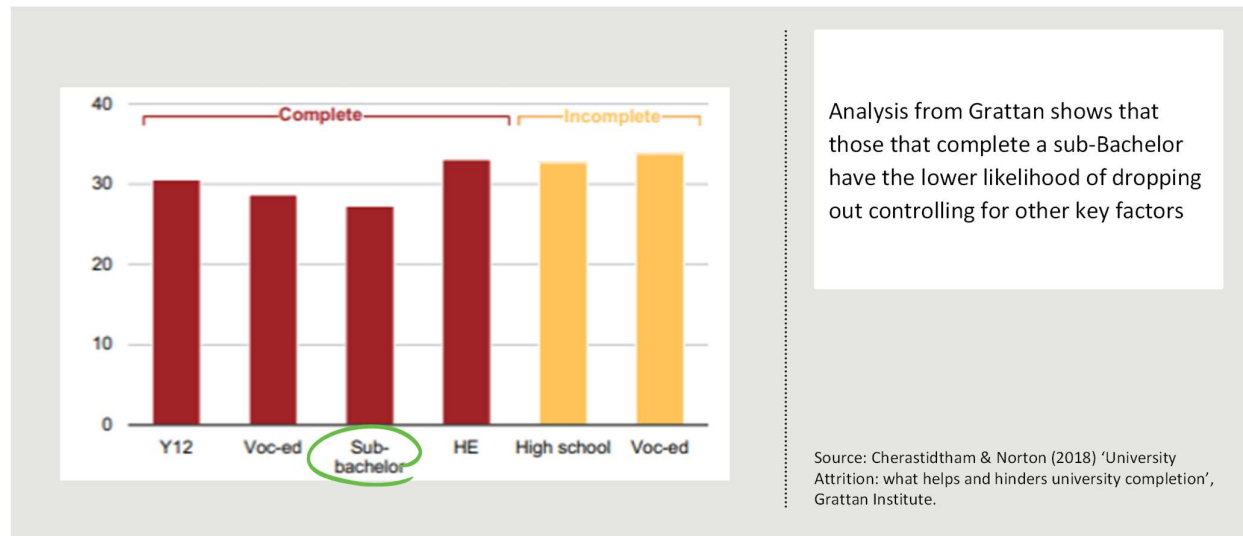
There is also strong evidence that students who complete a pathway program and transition into university-level study often perform as well, if not better than, their direct entry peers – despite having no ATAR or not being admitted based on ATAR. Kemp & Norton in their review of the DDS found evidence 'that students who entered via a pathway course often did better than might have been expected given their original level of academic preparation'.¹⁴

Comprehensive sector-wide analysis undertaken by Grattan Institute also identifies that students who possess a post-secondary qualification have a much lower risk of dropping out of university – and that students with a sub-Bachelor program (mostly Diplomas) were the least likely to drop out – when other relevant factors were controlled for. The report identified that pathways programs can serve to 'help identify people with attributes related to academic success and may remedy academic weakness'.

¹³ NCSEHE (2016) 'Pathways to higher education: the efficacy of enabling and sub-bachelor pathway programs'.

¹⁴ Kemp & Norton (2014) 'Review of the demand driven system'

Figure 20 | Risk of not completing in eight years, controlling for other factors, by qualification



Baik et al's research on international students also found that 'international students entering university via a secondary school pathway had significantly lower mean weighted average marks (WAMs) than those entering from post-secondary pathways'.¹⁵

A number of evaluations of individual institution programs has also found very positive results. This includes evaluations of:

- Murdoch University's enabling program 'OnTrack', which found that participants have similar or better retention rate than students admitted from all other retention pathways¹⁶
- Enabling program delivery at a regional Australian university, which found that the GPA for higher education pathway students was higher than Year 12 direct-entry students and that attrition rates were lower¹⁷
- Enabling program delivery at a specific de-identified Australian university, which found that the on-campus enabling program participants were 1.7 times less likely to discontinue their studies than students admitted on the basis of Year 12 completion with the same GPA and there were only minimal differences in GPA (0.21 lower than direct entry students). GPA and attrition were both better than for VET pathway students.¹⁸
- Pathway program delivery at a de-identified Australian university, which found that students with an ATAR lower than 70 that took a pathways programs had WAMs in their commencing year that were as good or better than direction entry students with ATARs below mid-80s – as shown in the figure below.

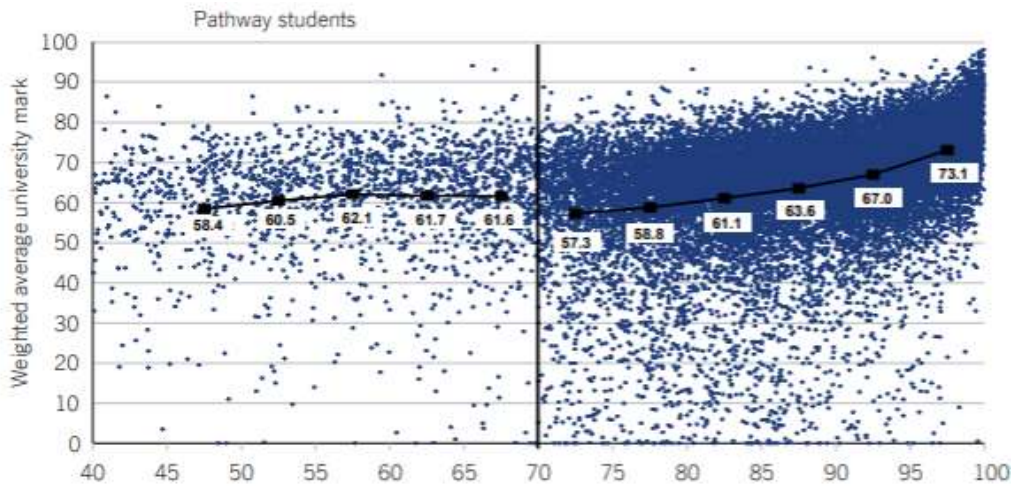
¹⁵ Baik et al (2020) 'Pathways to Success in International Education'

¹⁶ Lisciandro (2022) 'First-year university retention and academic performance of non-traditional students entering via an Australian pre-university enabling program'

¹⁷ Chesters et al. (2018) 'Alternative entry into university programs: are preparatory programs a viable option'.

¹⁸ Chesters and Watson (2016) 'Staying power: The effect of pathway into university on student achievement and attrition' [EJ1107585.pdf \(ed.gov\)](#)

Figure 21 | Relationship between ATAR and WAM, by pathway participation, for de-identified university¹⁹

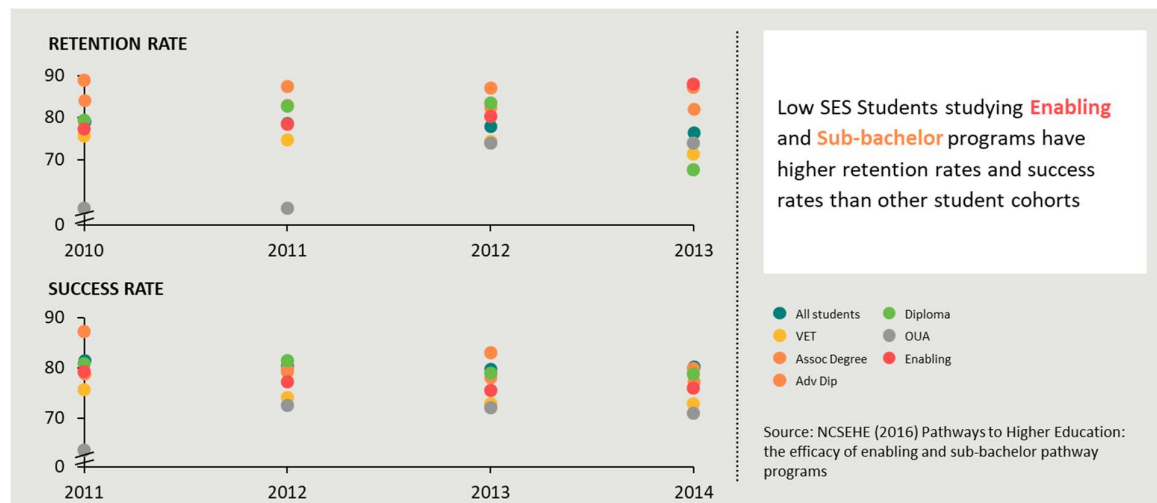


Navitas' has conducted tracer studies that support these findings for many of its university partnerships. These studies indicate that Navitas pathway students achieve comparable or better attrition and completion rate than students who are admitted to university through direct entry.

Finally, research has been conducted on the effectiveness of pathway programs for students from equity backgrounds. Firstly, analysis of attrition rates for students from a low SES background found that students studying in Diploma programs have comparable or lower dropout rates compared to those students studying at Bachelor level. Results are similar for other equity cohorts, including Indigenous students, students with disabilities and students from regional and remote locations. This is despite these cohorts on average having lower ATAR scores and using non-ATAR basis for admission more often.

Secondly, analysis undertaken by the National Centre for Student Equity in Higher Education in 2016 demonstrated that both enabling and award-level pathway programs delivered strong outcomes for equity cohorts in subsequent university level study. The study (as shown below) found that both retention rates and success rates were higher for students that had undertaken enabling programs and some sub-bachelor programs (including Advanced Diploma) than for other direct-entry students. The same finding applies for other equity cohorts also.

Figure 22 | Retention rates and success rates for low SES students, by pathway



¹⁹ Reproduced from Norton & Kemp (2014) 'Review of the Demand Driven System

This evidence shows that pathway programs are effective and enable students to successfully prepare for university level study. Notably these programs serve as a vital intervention to improve academic outcomes for students from underrepresented and marginalised backgrounds.

Diploma pathways (or short courses) provide an attractive option for students as they offer an ‘exit qualification’ which can mitigate non useful debt

Many existing programs that are aimed at supporting disadvantaged students are enabling programs. These programs are typically targeted to students from disadvantaged backgrounds. Whilst these programs are usually offered at no cost to the students, they are non-award programs and do not result in a direct qualification

NCSEHE has identified that ‘lack of transparency, transferability and information about enabling programs’ can hinder student take up’. In addition, students who complete an enabling program must then complete a full Bachelor’s degree, which typically spans three years, in order to gain a qualification. As a result, this creates multiple points where a student may discontinue their studies and drop out.

Navitas believes there are compelling advantages in incentivising study in award-level pathway programs (such as Diploma pathways) and other models that adopt ‘nested’ approaches. This approach offers students multiple points of exit and enables disengagement and reengagement with studies attaining award-level qualification along the student’s journey. This should be a particularly effective model for students from disadvantaged backgrounds, who may have competing priorities – such as employment, caregiving responsibilities and family commitments, or other considerations.

In line with Navitas’ position, the Productivity Commission are also supportive of this direction recommending that the Australian Government expand alternative exit opportunities through the provision of nested qualifications, enabling withdrawal from the full degree without exiting with no qualification. This would in effect ‘lower the cost of an early exit’ from a degree level course through reducing non-useful HECS-HELP loans held by those not completing their full degree.²⁰ The Review of the DDS also proposed inclusion of sub-bachelor programs into the DDS for similar reasons as ‘improving the efficiency by better matching students with appropriate courses’ and ‘provide a lower risk entry point for low SES students.’²¹

5.3 Access to funding for specialist providers is critical to support increase success for disadvantaged students

Currently many specialist pathway program providers are not able to access funding through Commonwealth supported places

Enabling and award-level pathway programs have distinct funding arrangements, but both are facing challenges under the current funding environment. Enabling programs have traditionally been funded through a combination of discipline based Commonwealth contributions and a specific ‘Enabling loading’ (in lieu of student contributions). Changes made in 2020 however has meant that enabling places have been capped, and if universities decide to re-allocate this funding it cannot be reallocated to enabling places in subsequent years. The changes also reduce the per student funding for study in these programs.²² Sub-bachelor level pathway courses have also been de-prioritised by universities under a system that enables flexibility in how funding is utilised.

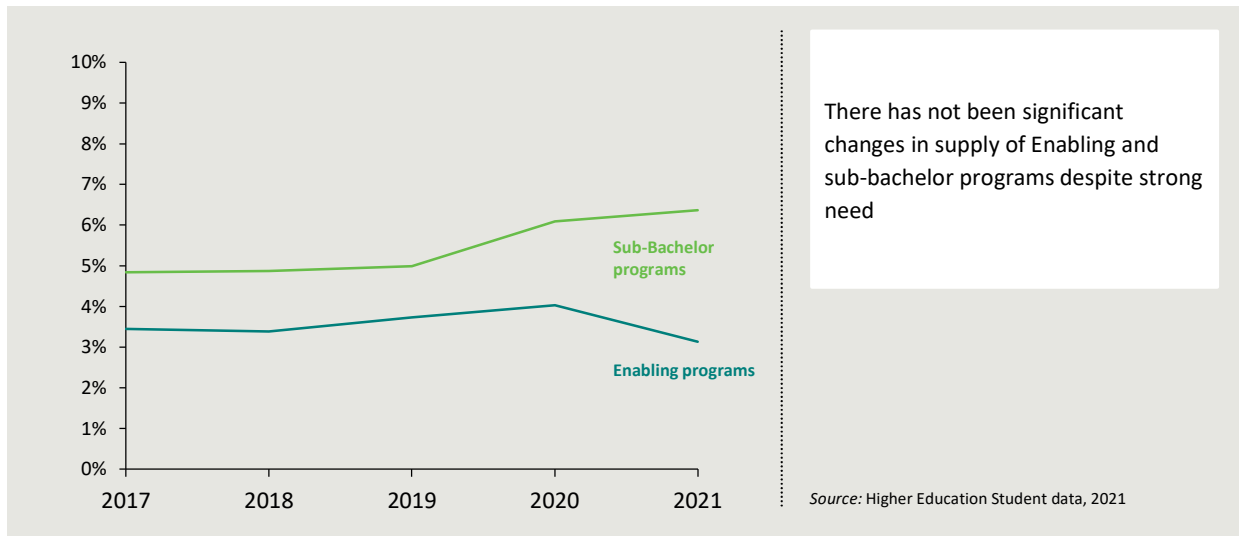
For these reasons the existing supply of enabling and pathways places for domestic students is low – collectively making up less than 10% of the number of bachelor enrolments. There has not been significant changes – as shown in the figure below.

²⁰ Productivity Commission (2023) ‘5 Year Productivity Inquiry: Advancing Prosperity’

²¹ Kemp & Norton (2014) ‘Review of the Demand Driven System’

²² Norton (2020) ‘Can enabling courses survive?’.

Figure 23 | Enabling and sub-Bachelor as a ratio of Bachelor student enrolments



The delivery of pathway programs by specialist providers, such as Navitas, in partnership with universities is a prevalent practice in the Australian higher education sector. Although universities may offer their own pathway programs, they often engage these specialised providers to deliver Diploma level pathway programs for both domestic and international students. These providers possess expertise in delivering such preparatory programs. However, as these providers are not universities, they are not eligible to access Commonwealth funding, with no designated program available to support students to participate in these pathway programs.

This results in high cost to students to undertake these pathway programs

The high cost associated with undertaking pathway programs presents a significant barrier for students, particularly those from disadvantaged backgrounds, who would benefit from these programs. Despite the positive outcomes of these programs in supporting domestic students, the lack of access to Commonwealth Supported Places (CSPs) renders them cost prohibitive for many. Non-university providers of these programs are not eligible for government subsidies, requiring students to bear the full cost of the tuition. While FEE-HELP is available, this financing option is not always viable for students from disadvantaged backgrounds and is subject to the 20% FEE HELP Loan Fee.²³

Government investment in pathway programs would deliver stronger outcomes for disadvantaged and less academically prepared students

The current cost barriers faced by students have resulted in them selecting programs that may not best fit their academic needs. If there is to be an intentional focus on supporting less academically prepared students, particularly those from disadvantaged backgrounds, to succeed in university learning environments, a targeted investment in pathway programs is necessary. **Navitas proposes that the Accord consider the strengths of the pathway model and explore ways to enhance its potential in supporting increased participation and positive outcomes for students from underrepresented backgrounds.**

Navitas recommends the government introduce a direct funding model for pathway programs, allocating CSPs for pathway courses through a competitive tender process that prioritises:

- Demonstrated excellence in delivery of pathway programs
- A defined delivery model, including pedagogy and supports that aims to support mechanisms aimed at supporting less academically prepared students
- Identification of the need for pathway supports, including through identification of cohorts that would benefit from pathway programs (with a focus on identified equity cohorts)

²³ This is especially the case given the 20% FEE-HELP Loan Fee as discussed earlier in Section 4.

- Existing partnerships with universities to support the transition to university study.

An alternative approach would be the inclusion of award-level pathway programs in the DDS and ensure specialist pathway providers are eligible to receive CSP funding if a form of DDS were introduced.

Recommendation 4

Introduce a direct allocation of CSP places to pathway programs to support students from disadvantaged backgrounds to effectively prepare for university level study. These should be administered through a competitive process and eligibility should be open to all approved higher education providers.

6. A genuine partnership with industry should ensure sufficient workforce readiness and labour force supply

This section outlines key considerations for the role of industry in supporting Australia's future higher education sector. It includes proposed changes to roles and responsibilities between higher education and industry to ensure the sector is able to meaningfully contribute to the future skills needs of industry. A summary of key points is included below.

Summary of issues on the role of industry in supporting the higher education sector:

- There are opportunities to more strongly embed work integrated learning into higher education delivery and this should be an entrenched component of a 2040 higher education system
- Placements are a barrier to increasing participation with limited supply and high costs that are not funded by government
- There is an opportunity to reconsider the role of industry in supporting its graduate pipeline, including through directly contributing to the costs of training placements
- Unpaid mandatory placements are a key barrier to participation for many students
- There is a need to clarify the role of industry professional bodies to remove duplication with the role of the regulator and provide greater opportunities for provider innovation

6.1 Work integrated learning should become a key part of higher education delivery by 2040

Work integrated learning encompasses a range of practical experiences that provides students with industry experiences aligned to their course of study

Work integrated learning (WIL) is a broad term that covers a range of ways that higher education students can engage with industry during their studies through practical experiences. All work integrated learning opportunities are intended to give valuable exposure to students of work-related activities relevant to their courses and careers. This extends the traditional approach to higher education delivery and supports closer integration between industry and study.

Navitas, through Navitas Professional, is one of the largest providers of work integrated learning programs. Navitas Professional delivers a wide range of work integrated learning programs – including through tailored packages in partnerships with universities and delivering the Professional Year Program, a WIL job-readiness program for international students, across Engineering, Information Technology and Accounting. *Navitas Professional* work with over 4,600 employers nationally across 20 industry sectors.

Navitas broadly considers four distinct forms of work-integrated learning:

- **Embedded industry perspectives, insights and approach into the curriculum**, through course content and pedagogical approaches.
- **Providing placement opportunities as part of assessment**, including mandatory placements for vocational fields of study.
- **Broader opportunities to undertake internships in related or adjacent fields**, through either extra-curriculum experiences or through programs built into the broader course framework.
- **Designing authentic assessment aligned with industry practices**, ensuring students are being assessed against the things matter to industry and will be important for their role.

Each of these represent important aspects of work-integrated learning.

Work integrated learning should deliver important benefits for both students and employers

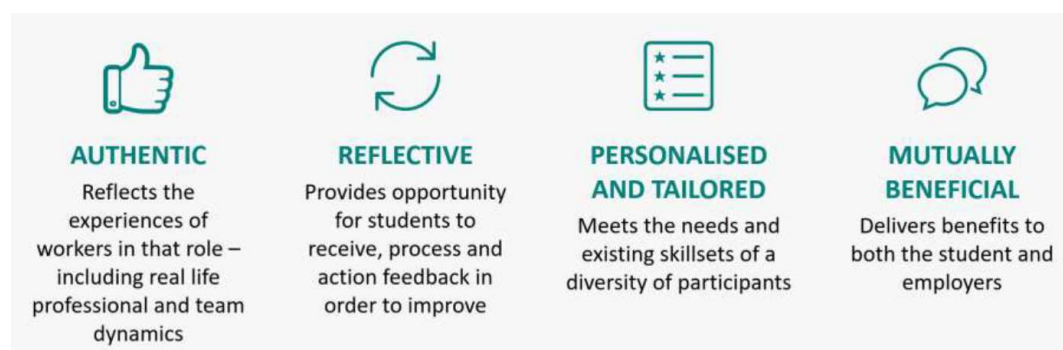
Participation in work integrated learning is effective as it delivers important benefits to both individual students and employers. A summary of the key benefits for students and industry is included in the figure below.

Figure 24 | Benefits for students and industry of WIL programs

	BENEFITS FOR STUDENTS	BENEFITS FOR INDUSTRY
BETTER JOB OUTCOMES	<ul style="list-style-type: none"> Increases individual employment outcomes 	<ul style="list-style-type: none"> Access to graduates with fresh ideas and contemporary skills
INDUSTRY EXPERIENCE	<ul style="list-style-type: none"> Provides experience of working in an industry environment 	<ul style="list-style-type: none"> Program is responsive to industry needs and graduates with industry experience
WORKPLACE EXPOSURE	<ul style="list-style-type: none"> Provides genuine experience of working in a 'real life' Australian workplace 	<ul style="list-style-type: none"> Supports cultural diversity and access to local networks (for international students)
SKILLS DEVELOPMENT	<ul style="list-style-type: none"> Increases soft or transferable skills – such as communication, confidence and leadership 	<ul style="list-style-type: none"> Provides professional development – through supervisory experience for other staff
SKILLS GAPS	<ul style="list-style-type: none"> In some instances, meet formal placement requirements allowing qualification in occupation area 	<ul style="list-style-type: none"> Alleviates industry skills shortages

Four principles underpin Navitas' approach to work integrated learning that provide good practice principles for the design and delivery of WIL programs. These are shown in the figure below.

Figure 25 | Four good practice principles for work integrated learning



By 2040 work integrated learning should be more strongly embedded into higher education delivery

Navitas believes that work integrated learning should be a part of a consistent higher education experience for students in a new system. We put forward three objectives for a future system:

All students should have the opportunity to:

- Directly engage with industry and employers through work integrated learning as part of their program
- Learn through a curriculum that is directly responsive to feedback from industry and contemporary practice
- Be assessed through authentic assessment that considers the skills they will need in their future careers (particularly for vocationally aligned programs).

A stronger connection between higher education learning and industry will also be supported through a more coordinated and systematic approach to mapping the relevant qualifications and skills needs that attach to segments of the labour market, professional careers and vocational employment. We note that this work has commenced through Jobs and Skills Australia, which will be valuable in ensuring clearer alignment between the needs of industry and what is being taught through higher education degrees.

Recommendation 5

The Australian Government should state an objective that all students studying in Australian higher education programs undertake elements of work integrated learning – whether that be through placements, internships, or curriculum and assessment directly aligned with industry practice.

6.2 There is a need to clarify the role of industry to ensure it is actively supporting future workforce needs

An authentic partnership between government, higher education and industry is critical to the success of a future model of higher education

Navitas believes that the University Accord provides the optimal opportunity to reconsider and position the relationship between industry, the higher education sector and government. A future higher education system needs to build on the existing strengths of the current model in terms of engagement whilst considering more fully whether the role of industry in the current system needs to adapt to be more effective going forward.

There are two key areas that should be considered:

- The role of industry in contributing to the costs of practical training and placements
- The role of industry professional accreditation bodies.

Each is discussed below.

Industry should contribute to the costs of practical training for its future workforce

There are emerging requirements by professional bodies for students in these disciplines to undertake a placement as part of their studies in order to professionally register. Sufficient supply and availability of placements is a key challenge in the current system. Given strong labour market demand for graduates in fields that require placements, such as nursing, teaching and other health programs, over the next decade, it is critical to remove placement cost barriers to successful completions. Navitas provider the Australian College of Applied Professions (ACAP), has significant experience in facilitating placements as mandatory requirements in health and care economy courses. Placement requirements vary significantly by discipline. For example, Social Work students are required to undertake 1000 hours of placements (in two blocks of 500 hours), while Counselling requires 400 hours in total and Psychology programs can require a full-year of field education. The volume of hours demanded by placements also creates challenges with supply, thereby limiting the number of students that can study in areas with high-volume of placements.

Facilitating placements also requires a significant financial investment. Navitas estimates that it spends almost \$2 million annually to support higher education placements. This includes staff and associated costs, training of agencies, insurance, students preparation assets and guest speakers. Given we administer around 2,500 placements annually, this equates to approximately \$750 in support expenditure per student each year.²⁴

Work integrated learning occurs in the absence of any government support, and placement hosting entities are increasingly charging fees to host placements to cover their administrative and staffing costs. The costs of placements for institutions and ultimately students, can be expected to continue to rise. An alternate approach is necessary to ensure the ongoing sustainability and viability of placements as part of higher education training. The University Accord should consider:

- **Better alignment of placement requirements across different fields of study**, ensuring that when placements occur they are necessary and valuable and the hours required reflect optimal learning environments and requirements of professional registration. Greater consistency in hour requirements across different program areas should occur where possible.
- **Opportunities for industry to contribute to the costs of placements**, acknowledging the role of placements in supporting a graduate workforce that meets the needs of the industry. This could either be through removing fees that are charged for student placements or through co-contributing to costs.
- **Expanding access to the National Priorities and Industry Linkage Fund (NPILF) and further strengthening the program**, which is currently limited to Table A universities only. The NPILF is intended to support and enhance engagement activities between universities and industry including in WIL.

²⁴ This can be higher for Social Work which has additional academic staff supervision as part of placement (field education units)

Unpaid mandatory placements are a barrier to higher education participation.

In many fields student placements are of an extended duration of placements – often more than 3 months and many hours a week – and are typically unpaid. This creates significant cost of living challenges for students that otherwise need to rely on work to support their livelihoods. This can be prohibitive for students from lower income backgrounds and can contribute to non-completions where costs of study are prohibitive for individual students

Navitas believes there should be consideration of developing of a paid placement model or alternative arrangements in order to support students whilst they are undertaking placements. Shifts towards paid placements would reflect broader trends seen in internships and challenging of the appropriateness of unpaid work and its impact on equity. Consideration should be given to income support measures including the availability of grants for students undertaking placements or the introduction of an income-contingent loan scheme for living costs, such as the United Kingdom has through its Maintenance Loan program.

Recommendation 6

The Australian Government take steps to address the financial challenges for students that are undertaking mandatory placements – including through consideration of income contingent loans and / or grants.

The role of professional bodies need to be clarified to ensure there is not overlap with regulators and requirements do not adversely hinder innovation

The University Accord review process provides an appropriate opportunity to consider the role of industry professional bodies in course accreditation and professional registration. At present the role of professional bodies is to accredit programs in areas where gaining the qualification will result in professional registration in that occupation.

Particular challenges emerge where professional bodies provide ultimate advice impacting course accreditation, in effect usurping the role of the TEQSA as the sector quality regulator. Accreditation bodies are in many cases unregulated entities with the capacity to determine the professional registration of courses based on their assessment of factors including course design and delivery curriculum content, staff to student ratios, facilities requirements and entry requirements.

Navitas proposes that TEQSA is the appropriate agency to ultimately determine course accreditation (for institutions without self-accrediting authority) and that TEQSA accreditation should satisfy the academic requirements of professional registration. Arising from this, the regulatory requirements for industry bodies with a role in determining a graduate's approval to work in their chosen field should be reviewed to that ensure these bodies can provide essential advice to TEQSA but are not able to hinder innovation or limit the supply of graduates to meet labour market needs.

Recommendation 7

Clarify and re-state the role of industry accreditation bodies to ensure they play an advisory role and their remit does not overlap and duplicate the role of TEQSA as the regulator.

7. Supporting diversity within the higher education system and student choice through the University College category

This section outlines the value of the University College category in supporting diversity within the sector. It puts forward that it will be a key component of the system by 2040 and can play an important role in addressing skills needs through a focus on teaching excellence. A summary of key points is included below.

Summary of issues on **the importance of University Colleges in Australian higher education:**

- The current higher education sector lacks institutional diversity and has evolved to be characterised by homogeneous large, complex universities with a research focus.
- Limited progress in retention and success rates in the decade from 2010 to 2020 indicate that the current system has reached a ceiling and is not working effectively in supporting student success.
- There is a need for institutions of the future to be focused on innovative pedagogy, teaching excellence, specialisation, local and regional economies, graduate employability and labour market demands.
- The recently renewed University College category has established the necessary architecture deliver institutional diversity with high-quality, practice focused institutions that target students and industry demand.
- The University College model provides opportunity for government to leverage funding models to support equity student access and targeted graduate supply in outer metro and regional areas.

7.1 University Colleges represent a way to add genuine diversity to a currently non-diverse sector

The University College category recognises teaching excellence and provides an opportunity for deep specialisation by providers

A key challenge for the University Accord is to address the lack of diversity in Australian higher education provision and create an environment that stimulates the development of institutions targeted at teaching excellence and increased participation. The growth in enrolments of Australian universities over the last three decades has resulted in a university sector characterised by large, complex institutions with a strong research focus. While this approach has supported international recognition of excellence in Australian higher education, Navitas proposes that demand between now and 2040 requires institutions focused on pedagogical innovation, a strong focus on teaching, and specialisation toward industry needs and increasing participation.

In 2019, the review of Provider Category Standards led by Professor Coaldrake resulted in a streamlining of provider types giving greater coherence to sector architecture and creating opportunity for high quality teaching focussed and specialised institutions to be recognised in the sector. The amended University College category establishes the essential architecture to drive provider diversity through recognition of institutions specialising in innovative pedagogy as separate to the university defining requirements of research in three fields of education.

This positions University Colleges uniquely. They have demonstrated excellence in teaching – including through demonstration of student outcomes and strong student experience – they are inherently connected to industry and are able to focus efforts primarily on high-quality teaching. This provides a distinct point of difference and diversity to the existing status quo of comprehensive large Australian universities – offering programs and conducting research across a wide range of disciplines.

University Colleges should be a foremost and critical component of Australia's higher education system by 2040.

University Colleges will provide a choice of another high-quality provider for students that may better suit their needs

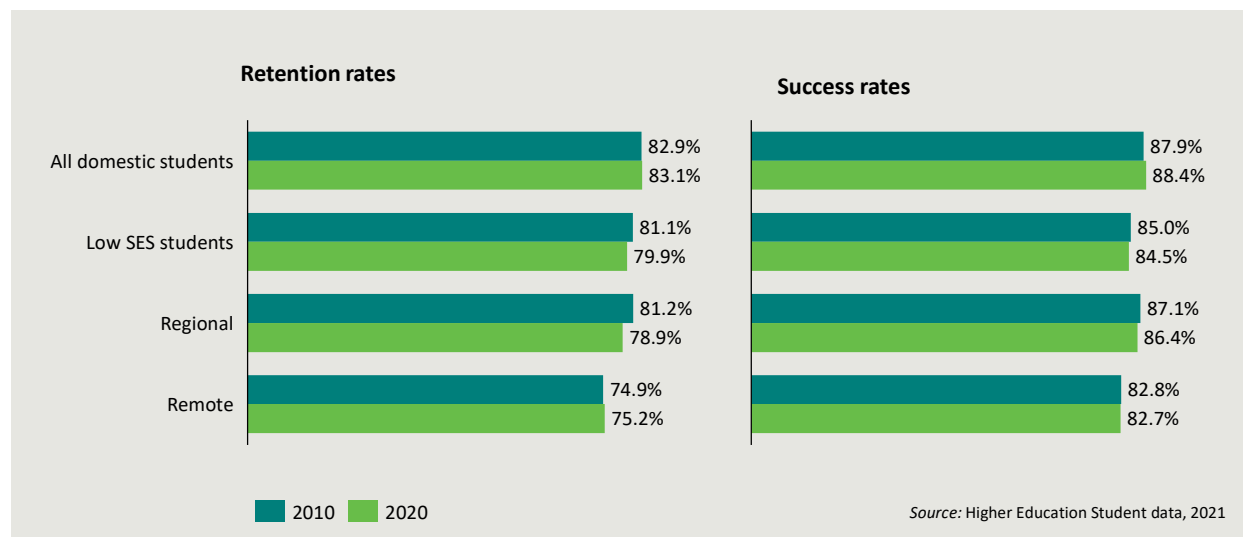
A large number of students already choose to study in the independent higher education sector. In spite of some of the challenges identified in Section 4, approximately 10% of domestic students study at an independent higher education provider. This reflects the strong value proposition for the sector, including expert delivery in areas of

specialisation, different pedagogical approaches and supportive learning environment better suited to some students.

The Bradley Review identified the importance of diversity to supporting student choice, stating that 'diversity in tertiary education provision remain necessary to ensure that the full range of learner, industry and social needs can be met'. Given the recency of establishment of the renewed University College Category, the opportunities the category provides are evolving. The admission of University Colleges in specialist fields commenced with elevation of the National Institute of Dramatic Art and the Australian Film, Television and Radio School, recognising their unique offerings, student outcomes and innovative pedagogy. A small number of higher education institutes have also successfully applied for admission to the Category in recognition of their pedagogical model and focus on student success.

Navitas proposes that the University College category provides opportunity to stimulate institutions with a greater student focus and address a stalled rate of student retention and success sector-wide over the last decade. For example, the stimulation of smaller intuitions with an outer metropolitan footprint, industry focus, recognised excellence in teaching and strong student outcomes will provide an attractive learning environment and alternative to university study for a wide range of students. The Navitas Australian Higher Education Demand (NAHED) model indicates that the current system has reached a ceiling and that rates of student retention and success have stalled. While the overall numbers remain relatively high, in key areas of low SES and regional cohorts, the current system has not delivered growth over the last decade.

Figure 26 | Equity cohorts with declines in student success and retention rates, 2010 to 2020



There is an opportunity for University Colleges to focus on the nexus between teaching, scholarship and practice

Navitas proposes that there are opportunities to further differentiate the University College category – particularly in relation to scholarship. In Australia, defining universities has long been based on the Humboldtian concept of the ‘teaching-research nexus’, with universities required to contribute through teaching, scholarship and research. There is an opportunity to more clearly differentiate between Universities and University Colleges in this way. In the same way research represents a key area for Australian universities, there is an opportunity for University Colleges to focus strongly on **practice** – thereby creating a ‘teaching-practice’ nexus’ which could give greater definition to the category. University Colleges under this model would connect strongly with industry, leverage contemporary industry practices and approaches and delivery integrated teaching with practical application in a labour market or practice environment.

Under this approach some of the hallmarks of a University College would be:

- A well-developed culture of scholarship
- A focus on advanced practice – whether that be in the arts or the professions
- Scholarship and practice that produces an authentic practice-based model of teaching and learning

- Courses that foster the advancement and dissemination of knowledge through its unique graduates
- Clearly and tightly defined 'missions' that enable responsiveness to the changing demand in the industries or 'practice areas' that they serve.

This approach enables a tight linking of scholarship teaching and practice. This will support greater definition of the category and increased diversity within the sector – with a clear distinct purpose or alternative and not merely 'university-lite'.

7.2 Recognised for their excellence, University Colleges can support broader sector and government priorities

University Colleges are recognised as high-quality and are differentiated in status from the broader independent sector

While many students currently choose to study with independent providers, the University College category provides an important differentiator to the market. In developing the funding model to address future demand, the Universities Accord should consider the opportunities the University College category provides to support the development of teaching and practice focussed institutions that complement the research focus of Australian Universities.

There may be opportunities for government to extend CSP access to University Colleges where it aligns with objectives

One area that may be considered is providing access to CSPs for University Colleges to support delivery of programs that align strongly with government objectives and priorities. While expansion of CSPs fully to the non-university sector has been relatively limited (notwithstanding historical provision and funding for undergraduate and postgraduate certificates), the recognition of quality that attaches to University College status should provide further assurance that the institution delivers a high-quality program with recognition of their qualifications reflecting high quality recognised industry practice.

Funding agreements or compacts could provide a mechanism for University Colleges to contribute more substantially to policy objectives

The University College model provides opportunity for government and colleges to consider how they can collectively contribute to government policy objectives and broader societal challenges to meet growing domestic demand. For example, targeted access to CSPs for University Colleges established in regions with high forecast growth in young people and/or low participation may increase the accessibility of higher education and graduate supply in regional economies. Similarly, there may be opportunities for University Colleges to deliberately support equity access and success in a targeted way. Longer-term 'compacts' could provide an appropriate model for funding that enabling government to work closely with University Colleges to identify targets based on challenges specific to local catchments or areas of specialisation. The University College category provides opportunity for government to stimulate the creation of high quality, teaching focussed institutions targeted at meeting local and regional economic needs, and without the complexities that attach to large, research driven universities.

Recommendation 8

The University Accord implement policy settings to realise the capacity for the University College category to deliver institutional diversity through the creation of smaller institutions focussed on innovative pedagogy, specialisation, graduate employability and local and regional economic benefits.

8. The higher education system supports a sustainable and diverse international education sector

This section outlines key considerations for the international education sector as part of a future Australian higher education system. A summary of key points is included below.

Summary of issues on a sustainable and diverse international education sector:

- Global student mobility will continue to grow, with 9.1 million international students forecast by 2030, but growth will not be at the same rate as in the past ten years
- There will be shifts in where students come from, but key markets of China, South Asia and South East Asia will also see growth
- Australia is currently competitively positioned based on its policy settings and reputation with students
- Key emerging challenges include cross-subsidisation from international student revenue, appropriately supporting students impacted by the pandemic, supply to meet emerging demand, addressing non-genuine student recruitment and amending visa settings to support international students to contribute to addressing skills shortages.

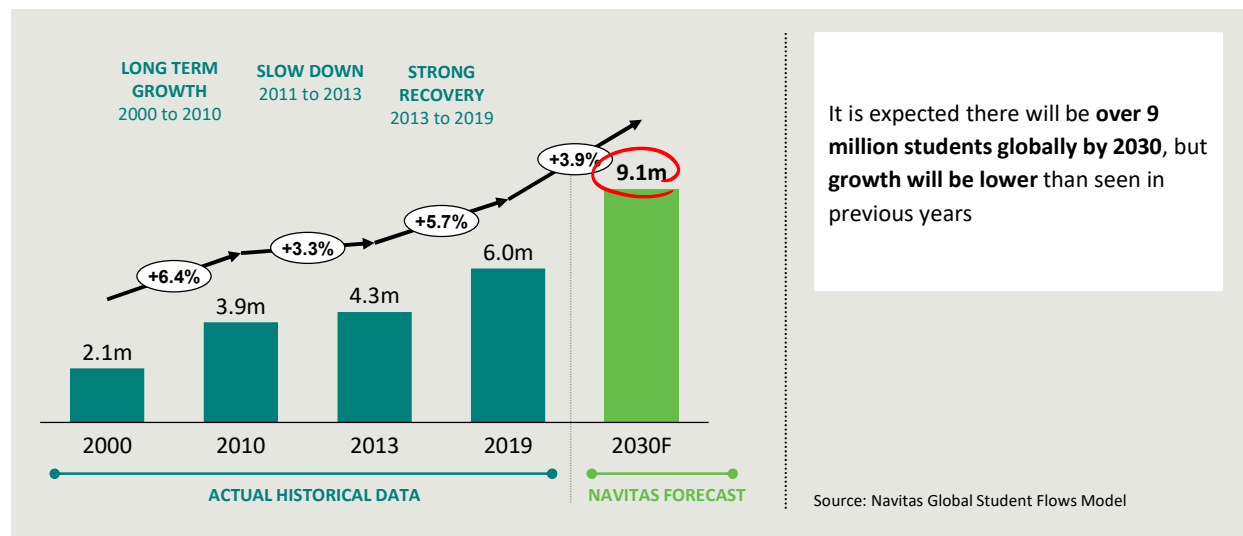
8.1 Global demand for international education will remain with opportunities in both existing and new markets

Global student mobility will contribute to grow – but not at the same rate as the past ten years

Over the past twelve months, Navitas' Strategic Insights and Analytics unit has undertaken analysis to develop the Navitas Global Student Flows model which forecasts global demand for international education across more than 100 source countries and considers key population and demographic, economic and participation factors.

At the overall level, the analysis shows a clear trend. While the number of international students globally will continue to grow, the rate of growth will be slower. While there were 6 million international students globally in 2019, there will be over 9 million international students globally by 2030 – as shown in the figure below.

Figure 27 | Navitas forecast for globally mobile tertiary students by 2030

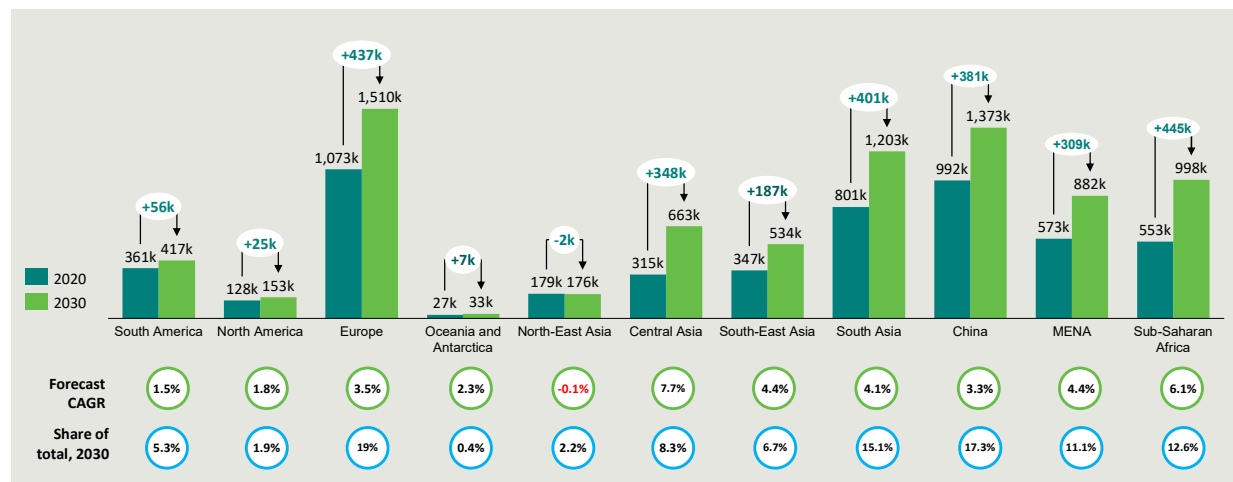


However, the rate of growth to 2030 will be 3.9% per annum, lower than the 5.7% per annum that was seen from 2013 to 2019.

There will be shifts in the where international students come from globally

World regions will grow at different rates over the next ten years. Underpinning overall global mobility will be shifts at the regional level driven by different demographic, economic and participation factors. Students will increasingly come from different regions over the next ten years and beyond. All regions will grow, but the rate of growth will differ significantly – as shown in the figure below.

Figure 28 | Estimated total global tertiary students by region, 2020 Actual and 2030 Forecast



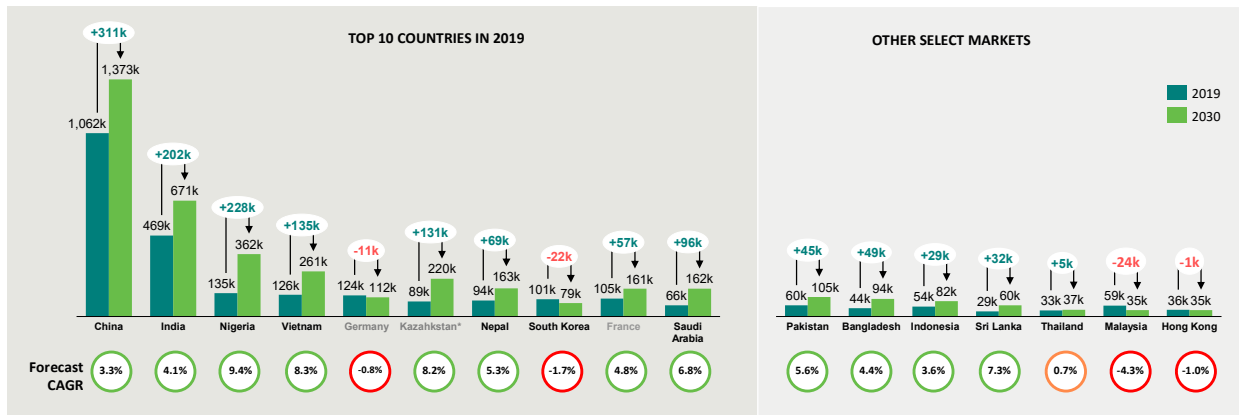
There are some important take-aways from the regional breakdown:

- **China remains a major source region**, with an increase in student numbers from under 1 million to almost 1.4 million forecast by 2030. While the growth rate is expected to fall as growth in tertiary student numbers slows (from 7.3 % CAGR from 2010 to 2019 to 3.3% up to 2030) it will remain the largest single source country globally. Indeed, it will remain as large as most continents.
- **Diversification opportunities will differ between Africa and South America**. With diversification opportunities increasingly important, South America and Africa will provide different levels of growth opportunity. Sub-Saharan Africa is expected to boom with significant growth driven by demographic changes and economic growth. In contrast growth from South America will be modest as many larger source countries in the region face demographic declines.
- **Healthy ongoing growth out of the key regions of South Asia and South East Asia**, with growth above 4% per annum expected from both of these regions.
- **There will be a more balanced split between regions**, with China, South Asia, Sub-Saharan Africa and Europe each individually contributing more than 1 million students each year to the global pool of international students.

Some major source countries will grow while others will continue to decline

Considering the source country level also provides additional insights. A diverse range of source countries will contribute to the overall growth that will be seen globally, while some familiar source countries to Australia will contract. A summary of the top ten countries globally and other select markets that are relevant for Australia is presented in the next figure.

Figure 29 | Estimated total global tertiary students by source country, 2020 Actual and 2030 Forecast



Most notably:

- **India will see strong ongoing growth but is not expected to catch China any time soon**, with a significantly smaller proportion of all tertiary students pursuing overseas study compared to China.
- **Markets less familiar to Australia will grow strongly**, including Nigeria and Kazakhstan where very limited numbers currently study in Australia. While Nigeria may provide an opportunity, it is fair to say Kazakhstan will probably not.
- **South East Asia has mixed source country outlooks**, with strong growth expected from countries like Vietnam and Indonesia, while outlooks for Malaysia and Hong Kong will see a further decline.

A resilient higher education sector will need to respond to these new opportunities while carefully managing the transition away from existing major source countries.

8.2 Australia is competitively positioned but will need to adapt over the next twenty years to remain a leading destination

International education is critical to Australia’s economy and the broader higher education sector

International education is critical for Australia. The international education industry and international students are key contributors to the Australian economy and society. At its peak there were 950,000 international student enrolments each year – with the majority of these students studying in the higher education sector. The benefits of international education go far beyond the economic benefits. In addition to the financial contributions outlined above, international students provide a range of social and cultural benefits to Australian society. This includes its role in facilitating cross-cultural exchanges, including through enriching the experiences of Australian domestic students, creating influential alumni networks in key countries across the region and the world and supporting opportunities to attract the best and brightest to work, live and settle in Australia. The financial revenue from student fees also underpins the operations of many Australian universities – contributing to both delivery of programs and courses and supporting critical research. In this way, international education not only provides clear economic benefits, but it also supports broader strategic and foreign policy objectives of Australia.

Given the varied and significant contribution of the international education industry and international students, it is critical that Australia’s strong reputation is maintained and the sector continues to thrive.

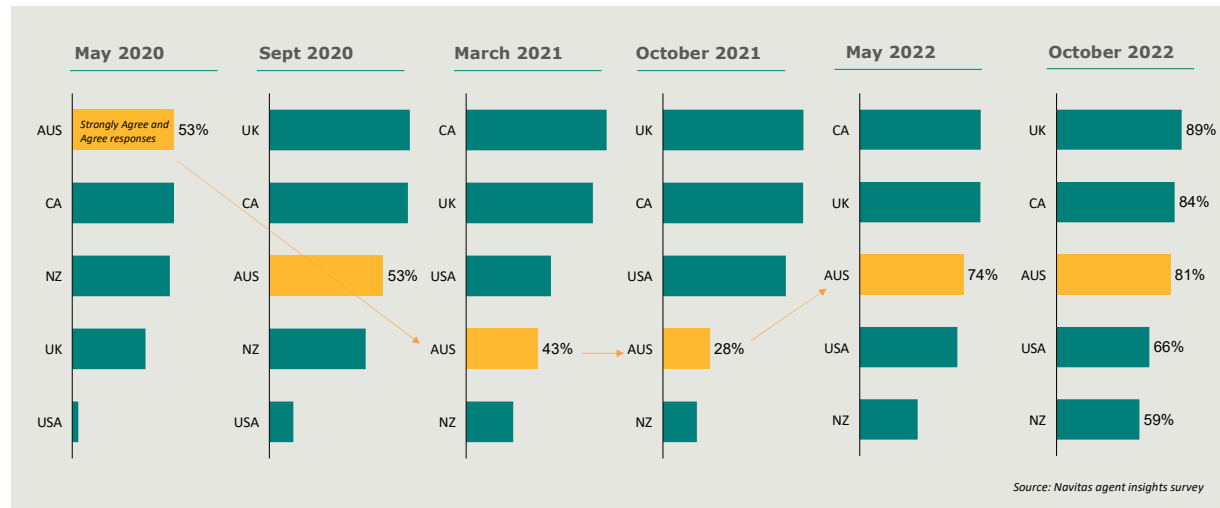
Australia’s reputation as an international education took a hit during COVID, but has since recovered

Navitas has been actively tracking market sentiment through a survey of our agents globally since the beginning of the pandemic – the Navitas Agent Insights survey. With agents representing over three-quarters of inbound students, this provides a valuable source of intelligence on Australia’s competitive position and emerging trends and challenges in key source countries.

Australia's reputation took a hit during COVID, but it has recovered. At the beginning of the pandemic, Australia demonstrated a strong public safety response and stability in its management of the COVID pandemic. This was attractive for students and agents. However, as the pandemic progressed Australia's closed borders made it a less attractive destination compared to competitor countries. Since borders have re-opened, Australia has recovered its attractiveness as a destination. This trajectory over a two-and-a-half-year period is shown below.

Figure 30 | Student interest in destination countries over time

Q: Over the past two months, there has been more interest in this country as an education destination compared to other countries



In addition to this overall question on interest, we also ask a range of different questions that indicate the attractiveness of a destination – including how safe and stable and opening and welcoming the destination country is. Across all of these Australia shows a strong recovery, with a consistent uptick in late 2022. October 2022 results are particularly promising, reflecting a surge in perception of Australia as a safe, stable and welcoming destination.

Policy settings are very favourable across all major destination countries, driving a hypercompetitive recruitment environment

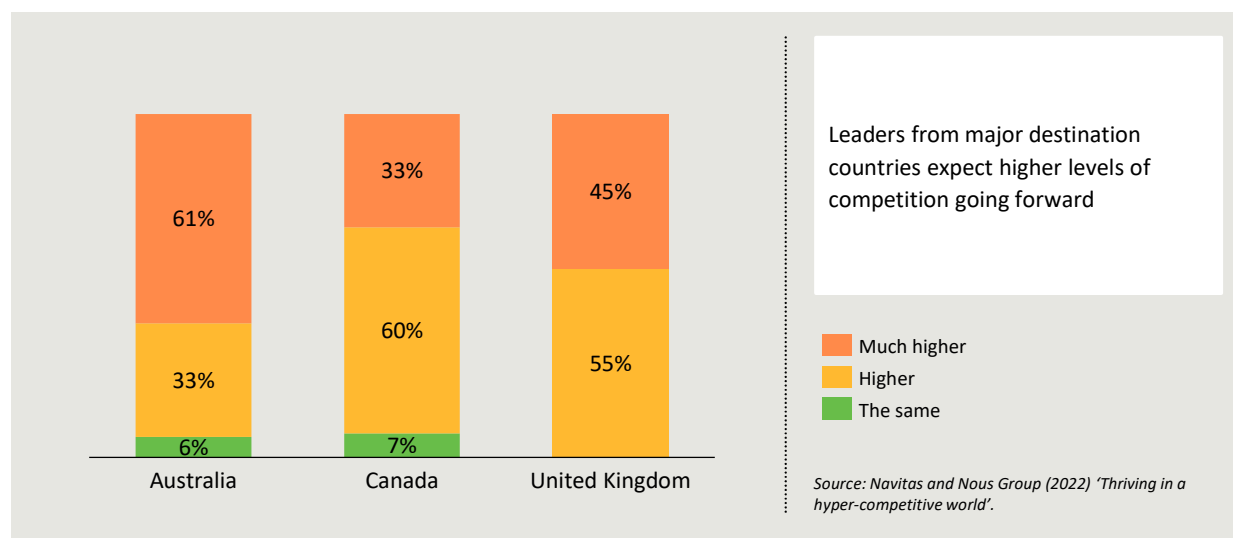
While Australia is currently in a very strong position, perceptions can change quickly. Analysis has shown that policy changes, changes in macro-economic circumstances or negative sentiment towards international students can also result in significant redirection of student choice away from particular source countries and towards others. It is therefore important Australia actively manages its reputation and competitive position.

This becomes even more important when considering that we are entering into a period of hyper competitiveness in international education. This is currently playing out in two domains. Firstly, at the destination country level, we are seeing a period of unparalleled positive international education policy settings – including welcoming policies, significant post-study work rights and increasing pathways to permanent residency in many destination countries. Whilst this may change, currently across the four major destination countries policy settings have never been so positive and is driving significant competition between destination countries. Emerging challenges in these destination countries, including anti-international education sentiment, might mean that there are opportunities for Australia to experience a narrow window of competitive advantage in the upcoming period.

Secondly, at the institution level we are seeing significant competition. Navitas partnered with Nous Group to undertake the Global Survey of International Education Leaders (GSIEL) for the first time in November 2022. This includes over 100 responses from senior leaders in universities that work in international education across Australia, the United Kingdom and Canada. Results from this survey support that the period following COVID will be even more competitive than the period prior to the pandemic. Most university leaders across Australia, Canada and the United Kingdom expect to see much higher levels of competition than they saw prior to COVID – as seen in the figure below. This includes increased intended use of commissions and increased commission levels. Ensuring settings are right is important to support international education providers in this highly competitive environment.

Figure 31 | International education leaders view on sector competition²⁵

Q: Over the next three years competition in recruitment of international students will be a level (that compared to pre-pandemic) is:



8.3 Targeted changes to existing settings will ensure Australia's international education sector is sustainable and competitive

Navitas believes that a sustainable international education sector is a critical component of a future higher education system. Despite this, there are emerging challenges that need to be considered in any review of the higher education system. Navitas identifies five emerging challenges which will need to be considered as part of the University Accord process to ensure a sustainable future higher education sector. These are:

- **Reliance on international student revenue to fund shortfalls in teaching and research funding**, which will become more challenging given lower overall global international student growth, hyper competition from universities in other major destinations and continuation of polarisation trends with a select group of institutions receiving disproportionate shares of students
- **Supply challenges to ensure that demand is appropriately met**, including within universities themselves but also in supporting industries – such as accommodation and other student services
- **Learning loss and the impacts of the pandemic**, which will be seen over the next ten years and need to be considered in relation to admissions and support for students
- **The ongoing challenge of non-genuine students**, including changes to ensure that positive and sustainable recruitment practices are incentivised and accountability sits with current providers, and
- **The role of international education in supporting long-term skills needs**, including through realignment of the Genuine Temporary Entrant requirements and providing clearer pathways to permanent residence for students in areas of high need.

Each is discussed in turn.

Reliance on international student revenue to fund shortfalls in teaching and research funding will be challenging going forward

Currently, international student revenue is important in supporting teaching and research within Australian universities. Over the past ten years the sector has seen a significant polarisation in both levels and growth of international student revenue. A small number of prestigious universities have grown their international student numbers substantially. In turn, this has supported increased research output which has further increased rankings performance and subsequent further growth in international students and revenue. There is no sign that this polarisation will cease over the upcoming ten years.

²⁵ Navitas and Nous Group (2023) 'Thriving in a hypercompetitive world: results from the inaugural survey of global international education leaders'.

The implications of this are significant. Implicitly international student revenue forms part of the funding for Australian universities – both to subsidise teaching costs and research costs. Reliance on this funding, particularly for some universities, will be more challenging going forward.

Increased international student numbers need to take account of available supply

Navitas' Global Flows Model indicates that globally international student mobility will grow around 4% each year to 2030. If Australia were to retain its existing share of students from each source country it would be expected to grow at a similar rate to this (3.7% CAGR). This would result in 725,000 tertiary students studying in Australia, an increase of almost 220,000 on the pre-COVID high water mark.

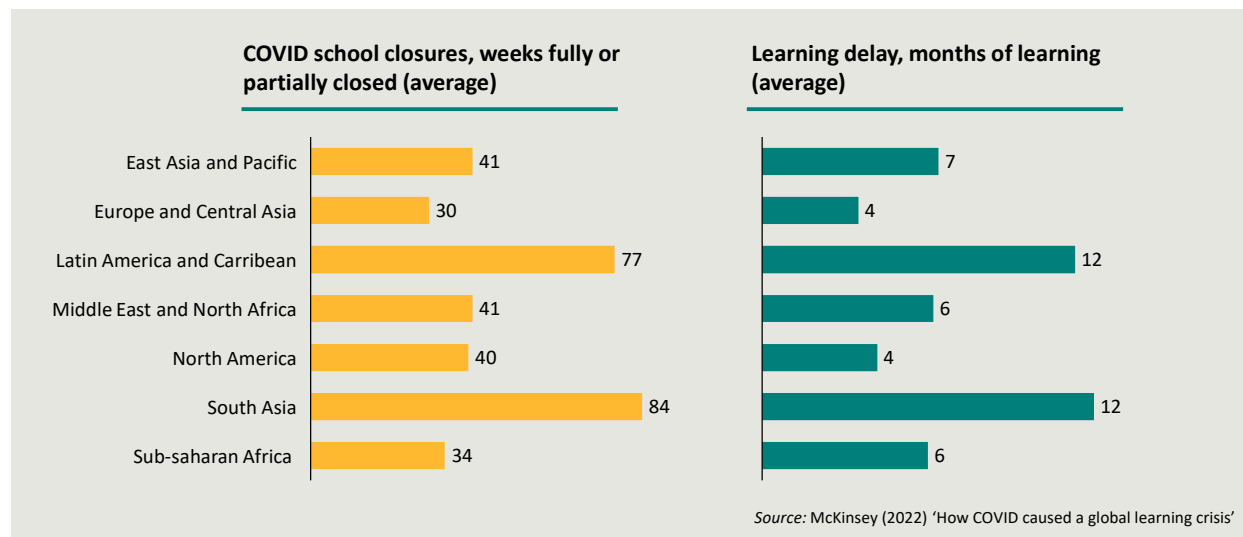
If Australia is to realise this ambition (or perhaps exceed it), there is a need for a considered approach to the supply needed to meet and absorb this demand. High level modelling indicates that if this growth were spread evenly across all Australian universities (proportional to existing shares), some of the larger universities would have more than 70,000 students, with international students comprising more than half their enrolments. Ancillary supports such as accommodation and other services also need to be considered and planned.

Navitas is supportive of increased numbers of international students, recognising the significant benefits this brings, but consideration needs to be given at both the institutional level and government level on a desirable and sustainable level of demand.

Learning loss and the impacts of the pandemic will be seen in international students over the next ten years

The global learning crisis arising from the COVID-19 pandemic looms as the greatest challenge to the sustainability and resilience of Australia's international education industry. Hundreds of thousands of international students on the Australian university campuses in the coming years will have experienced severe schooling disruption. The World Bank warns that unless countries implement and expand catch up programs in the coming months, they risk 'losing a generation'. Around the world, many schools were closed for extended periods, with varying, and in many cases minimal, levels of online learning opportunities for displaced students. As shown in the figure below, school closures were highest for students from Latin America and South Asia, but across most regions of the world students have missed on average more than 40 weeks of learning in a face-to-face school environment. McKinsey estimates that school closures have resulted in on average 6 months of learning delay, and up to 12 months of learning delay in Latin America and South Asia – both key international education markets for Australia.

Figure 32 | School closures and learning delay in world regions



So far, many providers within Australia's higher education sector have responded by increased flexibility and generosity in entry requirements, however this approach does little to ensure that students have caught up on their

learning. The impacts of the global learning crisis on the resilience and sustainability of the Australian international education industry needs to be considered by the Accord in the context of how extra learning and supports needed by international students can be identified, targeted, resourced and delivered.

It is important these student cohorts are supported to succeed during their university level study. Given the impacts outlined above, Navitas proposes two recommendations:

1. **Close monitoring of student outcomes for these student cohorts and admissions levels.** Admissions levels and student outcomes should be closely monitored to ensure that students are equipped to succeed and are receiving appropriate levels of support. Students identified as likely to succeed but needing additional supports should be streamed through pathway programs to ensure they have appropriate foundational skills before transitioning into the university learning environment.
2. **Greater encouragement of English language study.** Student visa applicants who choose longer duration English language programs have a higher risk of visa rejection. Given the importance of English language proficiency to academic success and the additional needs many students will have due to the impacts of the pandemic, Home Affairs should change visa assessment practices to ensure students who choose longer-term ELICOS programs are not negatively assessed through the application of GTE provisions.

Non-genuine students remain an ongoing risk to the sector's reputation and sustainability

Appropriate management of non-genuine students is an ongoing challenge for the international education system and is critical to ensuring the ongoing sustainability of the sector. While Navitas is broadly supportive of the current Streamlined Student Visa Framework (SSVF) approach there are some aspects that do not support positive and sustainable recruitment practices. We recommend that these are amended to ensure the ongoing sustainability of international student recruitment.

Challenges with non-genuine students have been heightened over the past twelve months. In response to the COVID pandemic and short-term labour force requirements of the Australian economy, the previous government removed the limit on work rights for international students in response to workforce shortages. Whereas previously, students were only able to work 40 hours per fortnight, over this past period their work rights have been 'uncapped'. While Navitas understands the decision that was made at the time, we are concerned that this has had a negative effect on the sector in several ways:

- **Students have been negatively impacted with many pursuing the work opportunities available to them at the expense of their studies.** Given the availability of work rights for student visa holders, many students have chosen to work extended hours at the expense of their studies. In part, this has been driven by family pressures. Navitas and other providers across the sector have seen disengagement by many students through reduced attendance and higher dropout rates.
- **The policy settings have stimulated increased demand from non-genuine students,** with increasing numbers of student visa applicants gaining visas with the primary intention of working rather than studying. In this way, the student visa in some instances has represented a low cost, de facto work visa whilst full work rights have been available. This undermines the integrity of the student visa in some parts of the sector.
- **Unscrupulous providers and agents are seeking to exploit these current policy settings,** which in turn is resulting in negative downstream effects for high-quality international education providers, such as Navitas. This includes onshore 'poaching' where students move to lower cost providers who typically have reduced face-to-face learning or lesser attendance requirements. These providers are also protected under the current visa settings as their 'provider risk rating' is not impacted by non-compliance of onshore transferring students due to risk permanently residing with the recruiting provider. This 'trailing risk' (i.e., risk attaching to the students currently enrolled provider) ensures institutions engaged in unscrupulous onshore recruitment are exempt from sanction arising from visa non-compliance. Concurrently, the original institution carries risk of sanction on behalf of student visa holders they no longer have any connection with.

The concerns listed above risk undermining Australia's reputation as a high-quality international education destination. Accordingly, Navitas welcomes the government's announcement that uncapped work hours will cease from 1 July 2023. However, we believe the following two changes are necessary to ensure this behaviour is discouraged:

1. **Expansion of the 'restrictive period' to 12 months and active enforcement of it.** Currently students are required to remain with their primary provider for a period of at least six months. Navitas believes that this should be extended to 12 months as an important safeguard to ensure that students receiving a visa are genuine and do not intend to transfer to lower-cost, lower scrutiny providers once they arrive in Australia. Active enforcement of this requirement is critical and needs to include the capacity for, and scrutiny of,

appropriate institution transfer where students' personal educational needs may have changed post their arrival in Australia.

2. **Removal of the 'trailing risk' for international education providers following onshore transfers,** ensuring that incentives and disincentives within the system are appropriately targeted. Attaching risk to the student's current education provider after they transfer ensures that there are not perverse incentives to engage exclusively in onshore recruitment and that high-quality providers that uphold Australia's national interest through investment in genuine offshore recruitment are not punished.

These changes will uphold Australia's reputation in the long-term for high quality international education whilst ensuring that risks are appropriately managed and positive behaviours are incentivised with the system. These changes are critical to the ongoing sustainability and diversity of Australia's higher education sector.

Recommendation 9. To ensure that students that receive visas and study in Australia continue to be genuine students the government should:

- Discourage students from transferring to lower cost and lower quality providers for non-genuine reasons once they arrive in Australia through extension of the 'restrictive period' on student transfers to 12 months and actively enforcing this requirement.
- Amend visa settings so that accountability for student visa risk under the Streamlined Student Visa Framework resides with the currently enrolled provider, and there is not a 'trailing visa' for original or previous providers where a student transfers to another provider.

International education should support Australia's longer-term skills needs

The Australian economy is currently experiencing significant skills shortages across many areas of the economy and society. In large part, this is due to reductions in net overseas migration over the period that borders were closed due to the pandemic. This will likely be a long term feature of the Australian economy for the decade ahead. Arising from the 2022 Jobs and Skills Summit, the government committed to reviewing and increasing post-study work rights and recently announced extended work rights for graduates in areas of skills shortage. This labour market and skills driver of work rights will both support Australia's workforce needs, future research capability and increase the attractiveness of Australia as a destination to study for international students. As shown in the figure below, access to post-study work rights is a key driver of students' decisions on which destination country they choose to study in and has been consistently identified (along with cost and quality) as a top three factor since the question was first asked in March 2021. Australia is now seen as the most attractive destination for many on this measure.

Figure 33 | Top factors for choice of destination and destination attractiveness for these²⁶

Q: What are the most important factors influencing student choice of study destination? (Top 7 factors). For each of the factors you selected in the question above, which is the most appealing destination? n=814:



In addition to these changes to post-study work rights, Navitas recommends two further changes that would contribute to the Australian economy more significantly and complement the goals of the dual purpose of supporting Australia's skills needs and increasing the attractiveness of studying in Australia.

²⁶ Navitas (2022) Agent Insights Survey

These are:

- **Amending the Genuine Temporary Entrant (GTE) visa requirement to recognise that genuine students may have a migration intention.** The current requirements for students to declare they are a genuine temporary entrant and committing to not pursue migration to Australia is confusing for students and their families, particularly given the broader government narrative on the importance of skilled migration for Australia. The system should recognise that genuine higher education international students may have a migration intention. Amending the visa requirements to focus on 'genuine students' and revising processes to not penalise applicants who indicate a migration aspiration will not diminish the integrity of the student visa, convey a more welcoming environment to international students, enable improved data collection on migration drivers and support a targeted approach to identifying talent and capability towards addressing long-term skills shortage needs.
- **Providing clearer pathways to permanent migration for international students and graduates,** through targeted changes to the skilled migration points system, including additional points for the 'Australian Study Requirement' and the 'Professional Year Program' to provide a more attractive pathway for talent that has studied in Australia to settle in Australia. As outlined in the figure above, opportunities for permanent migration is a key decision factor for many students and positive messaging of opportunities for skilled migration through the student visa settings is an effective measure to attract students to Australia.

Recommendation 10

- Amend the Genuine Temporary Entrant (GTE) visa requirements to recognise that genuine students may have a migration intention – including through changes visa requirements to focus on 'genuine students' and revising processes and positively identify students that may have a migration aspiration.
- Provide clearer pathways to permanent migration for international students and graduates, through targeted changes to the skilled migration points system, including amending the migration points-based system to increase the points an applicant receives for a) the Australian Study Requirement and b) completing the Professional Year Program.

Appendix A. Alignment of Navitas response with Terms of Reference and consultation questions

This section maps the key themes from Navitas' response with the specific questions outlined in the discussion paper. Navitas has not responded to all questions, instead addressing a number of questions in its response which focuses on the six key themes.

Figure 34 | Alignment of consultation questions and Navitas response

Section	Consultation questions	Navitas response	Reference
The future system needs to meet future demand and support increased participation in higher education	Q3 What should the long-term target/s be for Australia's higher education attainment by 2030 and 2040, and how should these be set and adjusted over time?	Analysis undertaken by Navitas indicates that while the overall target set by Bradley Review has been reached, there are significant differences in attainment between different cohorts and for different regions. Targets should focus on 'levelling-up' areas of low participation.	See Section 3.1
	Q6 What are the best ways to achieve and sustain future growth in Australian higher education, given the changing needs of the population and the current pressures on public funding?	Population growth and increases in participation will result in between 150,000 (if no increase in participation rate) and 500,000 (if participation rate increases in line with 5 year trend) additional students by 2041. Supply is needed to meet this demand.	See Section 3.2
	Q7 How should the mix of providers evolve, considering the size and location of existing institutions and the future needs of communities?	Navitas believes that re-consideration of the public-private mix is critical to address increased demand for higher education up to 2040.	See Section 3.3 and Recommendation 1
	Q30 How can governments, institutions and employers assist students, widen opportunities and remove barriers to higher education?	Increased opportunities can be provided to students by ensuring quality higher education supply exists in areas of growth.	See Section 3.2 and 3.3 <i>See also Section 7 on 'University College'</i>
The higher education system does not disincentivise students to study with providers that are most appropriate to them	Q2 How can the diverse missions of Australian higher education providers be supported, taking into account their different operating contexts and communities they serve (for example regional universities)?	Navitas proposes a principle that student's should not be disincentivised to choose the provider that is most appropriate to them. This supports the diverse missions and expertise of higher education institutions, including across both the public and private sector.	See Section 4.1 <i>See also Section 7 on 'University College'</i>
	Q30 How can governments, institutions and employers assist students, widen opportunities and remove barriers to higher education?	The 20% FEE HELP Loan Fee that undergraduate students that study with independent providers pay in addition to the full costs of their course is a barrier to access.	See Section 4.2 and Recommendation 2.
	Q48 What principles should underpin the setting of student contributions and Higher Education Loan Program arrangements?	Navitas recommends that a key principle in setting HELP arrangements is that it is equitable across all provider types.	

<p>The higher education sector supports 'pathway' programs to increase participation and success for students from disadvantaged backgrounds</p>	<p>Q12 How should an adequate supply of CSPs be sustained and funded, as population and demand increase?</p>	<p>Navitas puts forward that CSP should be opened up to all student studying in key skills shortage areas (such as nursing), not just those studying with universities. This will ensure supply is not a constraint to skills shortages in these key areas.</p>	<p>See Section 4.2 and Recommendation 3.</p>
	<p>Q22 What role do tertiary entrance and admissions systems play in matching learners to pathways and supporting a sustained increase in participation and tertiary success?</p>	<p>There are challenges with existing admissions practices, with no positive changes in attrition levels across the sector. High drop-out rates result in significant 'non-useful debt' which has negative impacts on students that have not completed their degree program.</p>	<p>See Section 5.1</p> <p><i>See also Section 8 in relation to international student admissions.</i></p>
	<p>Q29 What changes in provider practices and offerings are necessary to ensure all potential students can succeed in their chosen area of study?</p>	<p>There are significant opportunities for preparatory 'pathway' programs to support less academically prepared and students from disadvantaged backgrounds to succeed at university. Evidence on the efficacy of pathway programs is strong and is presented in this submission.</p>	<p>See Section 5.2</p>
	<p>Q32 How can best practice learning and teaching for students from under-represented groups be embedded across the higher education system, including the use of remote learning?</p>	<p>Increased access to 'pathway' programs supports best practice learning and teaching for students from under-represented backgrounds. These specialist programs focus on the students needs as they transition from a school (or non-academic) learning environment to university level study, providing additional and more targeted forms of support.</p>	<p>See Section 5.2</p>
	<p>Q33 What changes to funding and regulatory settings would enable providers to better support students from under-represented groups in higher education?</p>	<p>Targeted funding for pathway programs through introduction of direct allocation of CSPs administered through a competitive process will support students from disadvantaged backgrounds to effectively prepare for university level study.</p> <p>Currently, most specialist pathway providers are not eligible for CSP funding, resulting in high costs for students in programs that will most effectively support them.</p>	<p>See Section 5.3 and Recommendation 4.</p>
<p>A genuine partnership with industry should ensure sufficient workforce readiness and labour supply</p>	<p>Q14 How should placement arrangements and work-integrated learning in higher education change in the decades ahead?</p>	<p>Work integrated learning should be an integral part of Australian higher education by 2040. All students should have the opportunity to directly engage with industry, learn through curriculum informed by industry practice and be assessed on practice they will use in an industry environment.</p>	<p>See Section 6.1 and Recommendation 5.</p>
	<p>Q13 How could an Accord support cooperation between providers, accreditation bodies, government and industry to ensure graduates have relevant skills for the workforce?</p>	<p>The University Accord provides the opportunity for a genuine partnership between industry, higher education sector and government.</p> <p>There is a need to reconsider the contribution of industry in developing its</p>	<p>See Section 6.2 and Recommendation 7.</p>

	<p>Q23 How should an Accord help Australia increase collaboration between industry, government and universities to solve big challenges?</p>	<p>future workforce and ensuring skills needs. This should include consideration of prohibiting charges for placements by industry and other options to reduce costs of placements which is a current supply barrier.</p> <p>The role of professional accreditation bodies should also be reconsidered to ensure they do not duplicate the role of TEQSA and do not limit innovation in course design and teaching.</p>	
	<p>Q31 How can the costs of participation, including living expenses, be most effectively alleviated?</p>	<p>Unpaid mandatory placements are a barrier to higher education participation and create significant challenges for students that need to work to support themselves. Consideration should be given to reducing the duration of mandatory placements (where appropriate) and exploring options for grants and / or income contingent loan schemes.</p>	<p>See Section 6.2 and Recommendation 6.</p>
<p>Supporting diversity within the higher education system and student choice through the University College category</p>	<p>Q2 How can the diverse missions of Australian higher education providers be supported, taking into account their different operating contexts and communities they serve (for example regional universities)?</p> <p>Q7 How should the mix of providers evolve, considering the size and location of existing institutions and the future needs of communities?</p>	<p>Navitas supports increased diversity of providers in Australian higher education. The University College category represents a way to add genuine diversity to a non-diverse sector.</p> <p>University Colleges should focus on the nexus between teaching, scholarship and practice providing recognised high quality teaching.</p> <p>There are also opportunities for this provide type to support broader sector and government objectives – including meeting growing demand and equity participation, including through extension of CSP places to these providers.</p>	<p>See Section 7.1 and 7.2, as well as Recommendation 8</p>
<p>The higher education system supports a sustainable and diverse international education sector</p>	<p>Q43 How should the current recovery in international education be managed to increase the resilience and sustainability of Australia's higher education system, including through diversification of student enrolments from source countries?</p>	<p>Navitas shares its insights on the future growth outlook for international education globally and where opportunities will exist for Australia going forward. This should inform considerations around supporting the current recovery, as well as considerations in approaches to diversification.</p> <p>Australia's reputation, while currently strong, should also be actively managed.</p>	<p>See Section 8.1 and Section 8.2</p>
	<p>Q44 How can the benefits of international education be shared broadly across the system, including in regional areas, and what level of reporting should there be?</p>	<p>Navitas proposes two changes to ensure the international education sector is sustainable.</p> <p>Firstly, increased focus on ensuring students are 'genuine' through changes to the 'restrictive period' and removal of 'trailing risk' from original providers.</p> <p>Secondly, international students can more effectively support Australia medium and long-term skills needs. Changes proposed include changing the 'Genuine Temporary Entrant'</p>	<p>See Section 8.3 and Recommendation 9 and Recommendation 10.</p>

	<p>requirement, acknowledging genuine students may have migration aspirations, and providing clearer pathways to permanent residency.</p> <p>Finally, clear planning is required to ensure that future demand levels are planned for and aligned with sector and government priorities.</p>	
Q12 How should an adequate supply of CSPs be sustained and funded, as population and demand increase?	<p>While not providing comment on the broader university funding landscape, Navitas' analysis does indicate that given lower levels of growth globally and a competitive environment it will be more challenging for the system to rely on cross-subsidisation from international student fee revenue.</p>	See Section 8.3
Q22 What role do tertiary entrance and admissions systems play in matching learners to pathways and supporting a sustained increase in participation and tertiary success?	<p>The impacts of COVID in source countries has resulted in significant learning loss, with delays of up to 12 months on average for some regions.</p> <p>Many Australian providers have increased flexibility and generosity in entry requirements without providing additional 'catch up' support. There is a need for the Accord to consider how extra learning and supports needed by international can be identified, targeted, resourced and delivered.</p>	See Section 8.3