

# Queensland Government Submission to the Australian Government Review of Higher Education

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<b>Contents</b>	<b>Page</b>
Summary of Queensland Government Proposals .....	3
Introduction .....	5
Response to Terms of Reference and Focus Questions .....	8
1 Diverse, high performing institutions with a global focus.....	8
2 Productivity and participation.....	8
3 Effective and efficient investment .....	14
4 Underpinning social inclusion through access and opportunity.....	20
5 Enhanced quality and high standards .....	19
6 A broad tertiary education and training sector.....	21
7 Policy linkages.....	24
Attachment 1 Higher Education In Queensland .....	31
Attachment 2 Professional Skills Shortages in Queensland .....	34
Attachment 3 Comparisons of Participation in Higher Education and VET in Queensland, NSW and Victoria.....	41
Attachment 4 Diagram of Proposed Model .....	38
Attachment 5 Higher Education Issues Affecting Queensland Health.....	41

# Queensland Government Submission to the Australian Government Review of Higher Education

## *Summary of Queensland Government Proposals*

The Queensland Government proposes that the Australian, state and territory governments and higher education institutions collaborate on the following actions.

1. Adopt a conceptual framework for Australian tertiary education comprising higher education and VET as two separate yet integrated sectors, retaining the separate missions of each to sustain the pursuit of excellence in each sector while allowing dual- or multi-sector arrangements to exist.
2. Allocate responsibility for governance of Australian tertiary education to a specific Ministerial Council.
3. Establish a body independent of government to provide expert advice on higher education strategic policy and implementation or operational guidelines to the Ministerial Council. This body could be an expanded Skills Australia, or incorporate Skills Australia in its brief.
4. Clarify and simplify Commonwealth - State relationships in higher education in the context of broader discussion about roles and responsibilities for education and training in general.
5. The Ministerial Council to lead development of a national higher education strategic statement that identifies:
  - the purposes of the higher education sector;
  - strategic directions for the sector;
  - stakeholder roles and responsibilities, including on funding, planning, operational and governance functions;
  - national priorities such as professional skills, participation and attainment, social inclusion, linkages with VET, and internationalisation; and
  - targets, benchmarks and performance measures across all areas of activity funded by the Commonwealth.
6. Enable state and territory governments to play a role in implementing the national strategic statement. If the role were accepted by a state or territory government, then:
  - the Commonwealth would set jurisdictional targets and benchmarks for each of the national priorities and provide a jurisdictional pool of funds from the national priorities funding program to the state;
  - the state would negotiate institutional targets, benchmarks and funding allocations for each national priority on the basis of guidelines set by the Commonwealth, any relevant state priorities and regional circumstances; and
  - the state would inform the Commonwealth of finalised negotiations for inclusion in mission-based compacts between the Commonwealth and each institution and distribute pooled Commonwealth funds accordingly.
7. Where a state or territory government chose not to play a role in implementation, the Commonwealth would negotiate all areas of Commonwealth funding, including priority areas, directly with institutions, for inclusion in mission-based compacts.
8. Revise funding arrangements to:

- promote alignment of institutional missions and operations with national, state and regional priorities through mission-based compacts, providing greater flexibility to move funded places, and discretion to respond to changing demand patterns;
  - re-visit the activity-based costing methodology that underpins the current funding model to more accurately reflect the real costs of delivery including the costs of clinical placements and other forms of practica.
  - cover fixed operational costs through a proportion of recurrent fixed funding and incorporate an appropriate quantum in recurrent funding for knowledge transfer and community engagement activity;
  - provide dedicated funding for national or system priorities such as initiatives to address national priority professions and improve social inclusion;
  - as mentioned above, allow states to disburse discrete funding for priorities, and provide optional 'top up' funds, consistent with national strategic directions;
  - allow institutions to 'bank' places in times of soft demand against future demand increases.
9. Enhance the social inclusion role of higher education by:
- undertaking a separate comprehensive review of Commonwealth funding of support for individuals;
  - identifying social inclusion as a priority under the proposed national strategic statement;
  - including in funding compacts an element relating to broadening participation by under-represented groups, and enabling institutions to tailor their participation strategies and objectives to match their specific missions and the local socio-economic environment and community needs;
  - including community outreach and aspiration raising initiatives run by institutions in funding for this priority;
  - allowing specific funds for the social inclusion priority to be distributed by state and territory governments to leverage local and regional outcomes;
  - re-considering the measure of 'success' of programs, particularly regarding Indigenous participation, to include completion of pathways programs, modules within degree courses, and sub-degree programs.
10. Maintain the existing separate operational infrastructures for Vocational Education and Training (VET) and higher education providers, but with flexibility to allow for cross-sectoral arrangements, where appropriate.
11. Charge the Australian Qualifications Framework (AQF) Council with establishing a common currency across the framework to enable more flexible packaging of different sector achievements for attainment of awards and specific occupational outcomes.
12. Conduct a pilot to evaluate the potential benefits of AQF integration. Queensland would be keen to participate, with a focus on the health sector.
13. Assure quality by:
- maintaining the key role of the Australian Universities Quality Agency; and
  - maintaining current state-based regulation under the National Protocols for Higher Education Approval Processes

## **Introduction**

### **Queensland's vision for the higher education sector**

14. The Queensland Government's Smart State strategy recognises the key role higher education plays in developing new jobs and new skills, and contributing to developing new knowledge and stimulating innovation in all forms of human endeavour.
15. Within the Smart State framework, the Department of Education, Training and the Arts (DETA) has a range of strategic objectives for higher education, including that the sector:
  - provides quality higher education accessible to all Queenslanders
  - contributes to a prosperous economy, cultural vibrancy and environmental sustainability
  - is a cornerstone of regional development
  - contributes to enhanced education and employment outcomes for Indigenous communities.
16. DETA is developing a Higher Education Strategic Statement that will be the framework for working collaboratively and cooperatively with the sector to achieve common goals. These goals will see higher education achieve the outcomes outlined above for Queensland through the following major directions:
  - Creating knowledge that:
    - drives new technologies and new enterprises;
    - provides opportunities for business and industry that lead to new jobs, greater productivity and increased prosperity.
    - helps to improve health, ways of learning, recreation, and care for the environment
    - shapes cultural identity, relations with others, and the world.
  - Sharing knowledge through:
    - transfer and diffusion of research activities and outcomes; and
    - teaching and the preparation of professionals.
  - Helping to solve key challenges to society by:
    - working with relevant groups, both public and private, to find and implement solutions that address local, state, national and global priorities.

### **A snapshot of the Queensland sector**

17. A snapshot of Queensland higher education is at Attachment 1 to illustrate the nature and extent of higher education provision in this state. The data illustrates a range of challenges for higher education in Queensland including: the current softening of demand for higher education; demographic pressures likely to drive demand up in the future; varying trends in student demand for priority skills areas; and a highly regionalised population together with uneven higher education participation rates.

### **Barriers to achieving the vision**

18. A number of barriers exist to achieving the government's vision for higher education. Some are linked to the features of the Queensland sector outlined in

Attachment 1. The barriers, which are summarised below, are discussed in more detail in the body of this submission, in the context of the review's terms of reference. As an exemplar of how these barriers impact on a particular industry sector, a detailed document on the challenges for the Queensland health sector is at Attachment 5.

#### Demand for higher education in Queensland

19. After several years of significant growth in demand for higher education places in Queensland, demand has softened in recent years. Demand in priority skills areas is mixed, with positive trends in engineering/building and health, a recent turnaround to growth/recovery in sciences applications, but soft demand in education.
20. The current softening is attributable in part to Queensland's strong economic environment. There is an inverse relationship between the strength of the economy and demand for university places, particularly in areas with strong links with the resources sector. The upfront or deferred costs for students in higher education, including the costs for student support while studying, is also thought to be a contributing factor.
21. Softening demand has led to universities handing back some Commonwealth supported places, and universities being reluctant to bid for additional places in skill shortage areas. This has exacerbated skills shortages in Queensland.
22. Preliminary modelling shows future demand as likely to grow, given Queensland's increasing population, its strong economy and the related needs for professional skills. Universities handing back places will have a significant impact on the state sector's capacity to meet any increase in demand for places in the future. This will have the follow-on effect of worsening skill shortages in Queensland.

#### Funding levels

23. Public funding levels in real terms have declined, leading institutions to rely on alternative sources of income, most significantly international student fees. Any downturn in these sources and in enrolments in general leads to reviews of offerings, staffing cutbacks and the like. While ultimately this might lead to institutions pursuing a desirable level of differentiation, changes in offerings driven by student demand can lead to limited provision in regional areas where options are limited.

#### Funding flexibility

24. Recent comments from Queensland universities suggest some have experienced difficulties in responding to shifting demand patterns. This has resulted in Commonwealth-supported places remaining unfilled while demand in other fields of study goes unmet.

#### Accessible and reliable data

25. There is a need for more timely, visible, accessible and robust data and information about the sector on which governments and institutions can base policy and strategic planning. This is critical at a time of rapid change in international, national and local factors that have an effect on the sector and on government objectives.

### Inconsistent integration of education sectors

26. Queensland has a significant number of articulated pathways and other linkages between education sectors. These include co-locations, system-wide articulation agreements between TAFE and most universities, and programs whereby school students undertake introductory university studies. However, more can be done in terms of integration of curriculum, delivery and infrastructure usage. One of the key obstacles to further integration is the differing funding sources for the sectors, and an historical wariness in relation to real or perceived cost shifting.

### Demographics

27. Queensland has the most regionalised population in the country, and the fastest growing population. The Australian Bureau of Statistics has estimated that Queensland will grow by some 800,000 people over the next decade with the state set to record some 52 percent of all national growth in the 15 to 49 years age group, and a massive 63 percent of national growth in the young adult age group (15 to 24 years). Nearly three-quarters of Queensland's recent growth in the 15 to 49 years higher education cohort is occurring in the south-east corner (SEQ). Of the remainder, the Mackay, Far North, North and Wide Bay Burnett regions have recorded high recent growth. Mackay and Fitzroy have recorded stronger than projected, with some of Australia's highest growth mining communities in these regions. This demographic snapshot presents challenges to higher education demand, access and provision that is unique to the state.

## ***Response to Terms of Reference and Focus Questions***

### **1 Diverse, high performing institutions with a global focus**

*Developing a diverse, globally focused and competitive higher education sector with quality, responsive institutions following clear, distinctive missions to provide higher education opportunities to students throughout Australia.*

#### Issues

28. Recent Commonwealth policies have seen the higher education sector opened up to market forces and competition between institutions. While this might produce some efficiencies, and lead institutions to diversify their operations, it can lead to divergence between institutional direction and state, regional and local needs. A market-driven approach to the sector will not deliver targeted outcomes without some level of strategic influence over institutional operations. A system based approach is needed to maximise responsiveness to rapid local and global change, while preserving the strengths of the sector as it has evolved to date.
29. A system based approach will:
  - enable a strategic focus for future development of higher education;
  - improve planning to achieve strategic goals and directions;
  - promote a diverse array of excellence and specialisation in particular fields of academic endeavour across Australian institutions;
  - reduce unnecessary duplication, inefficiencies and unproductive competition between Australian institutions;
  - harness the collective strengths of institutions enhancing their international standing in the increasingly aggressive global higher education market;
  - enable more effective integration of VET and higher education in a flexible and expansive tertiary education sector; and
  - enable more effective alignment between higher education and all aspects of its service to Australian society.
30. It is acknowledged that the adoption of a system based approach could result in tension between the drive to maximise effectiveness and efficiency overall and state or territory priorities for expansion or decentralisation. Decentralised provision of higher education has made a considerable contribution to Queensland's development, both overall and regionally.
31. The Queensland Government therefore asserts that although a national system-based approach is required for Australian higher education, the location of higher education institutions and the extent of decentralised provision are matters in which state or territory governments must have a significant say.
32. A system based approach may also lead to competing system and institutional priorities. For example system priorities for serving economic and industry demands may clash with institutional priorities for the pursuit of academic excellence. Resolving these tensions needs to be balanced with an appropriate level of institutional independence and autonomy.
33. The increasing expectations and importance of the economic, social and cultural contribution of higher education, the complexity of the operating environment, and the significant array of stakeholders in the sector present a range of policy and strategic challenges. Meeting these require a nationally consistent, informed approach. The point at which higher education policy and operation has arrived is the result of decisions made without the benefit of a longer term or overarching strategic view.

34. The Australian Government has established Skills Australia to provide independent, high quality advice to assist better targeting of support for the skills and workforce development needs of businesses and workers across the country. One of Skills Australia's functions is "establishing and maintaining relationships with relevant state bodies to inform advice on current and future demands for skills and facilitate alignment of priorities for responses to skills needs."
35. This submission argues for a more effective role for state and territory governments in higher education strategic planning and operations. One of the key rationales for this is to better align higher education provision in the state with local and regional skills needs. In this context, it is critical that Skills Australia is directly linked to relevant national and state planning processes.
36. A further layer of operational complexity in higher education has arisen from the international activities of universities. 'Internationalisation' in the broadest sense, encompassing research, teaching, curriculum, academic and student exchange, and international mobility, is not only desirable but absolutely necessary for the system to be globally relevant. However, the Australian system needs to guard against the commodification of internationalisation, particularly in relation to international students.
37. That is not to undervalue the major contribution international students make, economically and culturally, to both higher education and the broader community. Indeed, Queensland has for some years had an active and successful cooperative international initiative that focussed initially on attracting students, but now has expanded its focus to the fostering of a broader range of international linkages, and ensuring the state's global relationships are not just one way. There is scope for further collaboration between governments and institutions to drive positive internationalisation.
38. The question of the respective roles and responsibilities for higher education of stakeholders and players is integral. Under current arrangements, responsibility for higher education is shared between the Commonwealth and state and territory governments. While the Commonwealth is responsible for funding the sector, and takes on the major policy and direction-setting role as a result, states and territories establish universities under legislation and regulate the sector within their jurisdictions.
39. This submission presents a framework for a collaborative approach to setting strategic direction and implementing the operations of the sector. It posits responsibility for setting national strategic direction and the provision of funding with the Commonwealth. This is justified by the legitimate interest the state has in higher education outcomes, and the role of higher education in the broader education and training sector. Further clarification and simplification of the respective roles and responsibilities for higher education needs to take place in this broader context.

### Objectives

40. To develop diverse, high performing institutions with a global focus within an overarching strategic framework for the Australian higher education system that :
  - is governed through structures that provide for a longer term, overarching strategic view, and for expert input to decision making;
  - clearly enunciates stakeholder roles and responsibilities;
  - is underpinned by collaborative approaches to planning and operations that includes an effective role for state and territories, while retaining the

Commonwealth's overarching responsibility for funding and setting national direction;

- retains and encourages 'positive' competition for the pursuit of excellence in the sector while minimising unnecessary duplication; and
- provides the platform for addressing priorities such as professional skills, social inclusion, integration with VET and internationalisation.

### Proposals

41. To achieve these objectives, the Queensland Government proposes:

- the allocation of responsibility for governance of Australian tertiary education to a specific Ministerial Council;
- establishment of a body independent of government to provide expert advice on higher education strategic policy and implementation or operational guidelines to the Ministerial Council. This body could be an expanded Skills Australia, or incorporate Skills Australia in its brief;
- that clarification and simplification of Commonwealth-State relationships in higher education take place in the context of broader discussion about roles and responsibilities for education and training in general;
- that the Ministerial Council lead development of a national higher education strategic statement that identifies:
  - the purposes of the higher education sector;
  - strategic directions for the sector;
  - stakeholder roles and responsibilities including in relation to funding, planning, operational and governance functions;
  - national priorities such as professional skills, participation and attainment, social inclusion, linkages with VET, and internationalisation; and
  - targets, benchmarks and performance measures across all areas of activity funded by the Commonwealth;
- that state and territory governments have the option to play a role in implementing the national strategic statement through an implementation agreement with the Commonwealth (this proposal is illustrated in Attachment 4);
- the promotion of positive internationalisation by:
  - pursuing the Brisbane Communiqué objectives for development of Asia-Pacific regional frameworks/qualifications;
  - supporting international accreditation for institutions and courses;
  - allowing for both national and state-based marketing strategies;
  - providing scholarships and bursaries for Australian students and researchers wishing to undertake overseas studies;
  - providing realistic financial assistance for outwardly mobile students ie. with a competitive lower interest rate or indexed;
  - leading diversification activities in seeking and developing new source countries or reinvigorating traditional sources;
  - instigating public awareness raising campaigns highlighting the benefits of internationalisation for students, communities and the nation to grow an understanding of, and appreciation for, internationalisation;
  - offering programs to encourage students to learn other languages at all levels from school-age to tertiary; and
  - facilitating better integration of skilled migration and regional development imperatives with institutions' program offerings and with government subsidies with a long term vision of preparation for the future.

## 2 Productivity and participation

*Enhancing the role of the higher education sector in contributing to national productivity, increased participation in the labour market and responding to the needs of industry. This includes the responsiveness of the sector in altering the course mix in response to student and employer demand and an understanding of trends in the economy, demography and the labour markets served by higher education.*

### Issues

42. Higher education contributes to productivity and long-term economic success in a number of ways. This submission will focus on the link between skills development and qualifications attainment and productivity.
43. The 2008-09 Federal Budget forecast economic growth of 2.75%, down from 3.5% in 2007-08 and a halving of employment growth from 2.5% to average 1.25% over 2008-09. Despite this national slowdown, Queensland's strong economy, sustained by mining and infrastructure investment particularly, is expected to continue to fuel demand for skilled labour for some time. In an increasingly globalised and technology intensive environment, Queensland's ability to remain competitive will critically depend on the quality of its labour force. Skills development therefore remains a priority.
44. In the macro, data in Attachment 3 shows Queensland has significantly lower attainment rates (for the 25-64 age group) in comparison to the Australian average and the rates for the larger populated states. This lower attainment rate and its subsequent impact on productivity represent a significant challenge to Queensland. To express this issue in terms of skills requirements, a 2005 Queensland Government study found that just over 16% of the state's population aged 15 to 64 years had a university qualification, but, in an assessment of the likely skills pathways to future employment, estimated that 22% of jobs will require or benefit from university qualifications. So in an aggregate sense, the supply of people with a university qualification does not match the demand for skills in jobs requiring university qualifications.
45. The Office of the Chief Scientist in Queensland estimates that knowledge-intensive industries currently account for some 30% of the economy and with robust targets in place to grow these industries to reach the OECD norm of 40% and create more knowledge-intensive jobs Queensland will continue to require an increased tertiary educated and skilled work force.
46. A range of skills shortages in specific areas threaten to stall Queensland's continued economic growth. A summary of these is in Attachment 2. This summary is based on current vacancies and projected demand for various professionals. As the summary indicates, there are similarities to professional skills shortages across Australia but significant differences exist in the types and extent of professional skills shortages in Queensland compared to other Australian jurisdictions.
47. Queensland's professional skills shortages are both cyclical and acute in nature, and responding to them is made more complex by shifts in demand for higher education places. Demographic and economic changes point to ongoing but shifting demand although, as Attachment 1 shows, in recent years the buoyant nature of the labour market has seen overall student demand remain stable and the supply of places overall is at present sufficient, and even exceeds demand in some areas. This has resulted in some Queensland universities handing back places they accepted during the peak growth years of the early to mid 2000s, now that the trend has flattened.

48. Attachment 1 illustrates the complexity of the demand picture in Queensland: overall significant population growth which will drive increased demand for professional skills; a declining rate of growth in the Year 12 cohort, which is not likely to be able to meet this demand for skills, but which should see demand for higher education places pick up; uneven transfer rates to higher education between the regions; and the need to increase participation rates, particularly in the regions, by attracting non-school leaver cohorts.
49. This picture highlights the need for flexibility in the higher education system to respond to these demands and drivers. Attracting additional enrolments to raise participation rates and meet skills needs in the regions will require a range of different recruitment, delivery and even course content strategies, to appeal to non-traditional participants in higher education. Yet Queensland universities report difficulties in responding to shifting demand. Commonwealth Grant Scheme guidelines require universities to return unfilled places and repay government subsidies, even though medium term indicators suggest that demand will grow. Capacity to fully align institutional outcomes with local needs is currently not possible. There needs to be some form of leverage at the local level that is more fine-grained than the current centrally fixed cluster funding system.
50. The need for flexibility and capacity to respond to shifting industry and community needs is well exemplified by the health sector's workforce requirements. Queensland has implemented a range of initiatives to help address its critical health workforce needs, but often comes up against systemic barriers to achieving the desired outcomes. As Attachment 5 points out, health education and training must be linked to current and future workforce needs, mirror evolving changes in health care delivery and practice and population morbidity and demographics.
51. Finally the availability of timely, visible, accessible and robust data and information about higher education, demographic, economic and labour market trends in a time of rapid change is also an issue.

### Objectives

52. To enhance the role of the higher education sector in contributing to national and state level productivity in a manner that:
  - takes account of changes in economic, demographic and labour market change at the state, regional and local levels;
  - allows for the setting of high-level, general national policy yet provides the capacity for flexibility and specificity at state and regional levels;
  - draws on the state's capacity for sophisticated labour market analysis based on trends at the state and regional levels;
  - draws on the state's capacity and considerable infrastructure for engaging with industry to collaboratively develop initiatives; and
  - provides institutions with the opportunity to negotiate their responses to productivity and participation priorities and the associated resource allocation on the basis of state, regional and local needs.

### Proposal

53. To achieve these outcomes, the Queensland Government proposes that:
  - through implementation agreements:
    - the Commonwealth would set jurisdictional targets and benchmarks for each of the national priorities and provide a jurisdictional pool of funds from the national priorities funding program to the state;

- the state would negotiate institutional targets, benchmarks and funding allocations for each national priority on the basis of guidelines provided by the Commonwealth, any relevant state priorities and associated state funding, and regional circumstances; and
- the state would inform the Commonwealth of the details of the finalised negotiations for input into mission-based compacts between the Commonwealth and each institution and distribute pooled Commonwealth funds accordingly;
- as part of the implementation agreement, the state would:
  - undertake local labour market analyses;
  - facilitate stakeholder dialogue in relation to skills needs, particularly input from local and regional business and industry; and
  - facilitate 'whole of tertiary' responses to skills, workforce and productivity requirements;
- where a state or territory government decided not to play a role in implementation, the Commonwealth would negotiate targets, benchmarks and funding allocations directly with the institutions. Negotiations would be finalised in the form of mission-based compacts covering all areas of Commonwealth funding to the institutions and specifying performance measures and reporting requirements; and
- the establishment of a national information portal to hold data related to productivity and participation to assist institutional and system planning.

### 3 Effective and efficient investment

*Improving funding arrangements for higher education institutions as they relate to teaching responsibilities, taking into account public and private benefits and contributions to inform the development of funding compacts between the Australian Government and institutions.*

#### Issues

54. The Queensland Government has a vested interest in the funding and resourcing arrangements for the higher education sector, given the intrinsic role the sector plays in achieving key state priorities. The state has supported the development of a diverse range of institutions, providing access to higher education for Queensland's dispersed population. Universities are integral to the state's regional development strategies, so their ongoing viability is of vital significance.
55. Current funding mechanisms, characterised by a combination of centralised planning, institutional profiling and market forces, and based around fixed level funding clusters, are inadequate in the following ways:
  - Universities have a high level of fixed costs, many of which do not decrease significantly with lower enrolment levels, and which are influenced by such factors as the study load and study modes of the student cohort, the application of ICTs, and the SES and academic backgrounds of the cohort. Current arrangements do not make sufficient allowances for these factors.
  - The level of precision required presents difficulties in responding to shifting demand patterns, and aligning course offerings and student intakes with skills demands and industry and community development. Simultaneously managing the overall income and student load targets by cluster can lead to institutional behaviours that see filling quotas take precedence over responding to skills demands and occupational outcomes.
56. The Queensland government recognises the strategic value of investment in higher education targeted at specific state-level priorities. In the past, the state has provided funding for additional university places on an ad hoc basis to address particularly critical access and skills shortages.
57. In developing a professional skills strategy, the Queensland government has negotiated with universities over their capacity to respond to critical professional skills shortages in the state, with mixed results. The above issues with cluster funding, exacerbated by low or flat student demand for particular courses, have been a contributing factor to the sector's limited capacity to meet skills demands.
58. However, costs of delivery exceeding funding levels in areas such as nursing have also had a negative impact on capacity. Commonwealth government policies, such as capping fee levels in 'priority' areas, have backfired, further proscribing the economics for institutions of increased offerings in key areas. Queensland universities have pointed to the need to cross-subsidise programs in priority areas from other sources as a result of inadequate funding levels.
59. The Queensland Government is working on ways to better coordinate skills responses across all education and training sectors, but lacks any real means to influence higher education outcomes.
60. Queensland Health, in Attachment 5, points to a number of areas in which greater influence over the training of health professionals would promote a better fit between programs and industry requirements. These include:
  - achieving consistency across higher education providers in relation to the course content and phases of education;

- achieving “work readiness” or a graduate’s capacity to fully perform the duties of their employment in the health system;
  - clear identification of clinical placement requirements in terms of both hours of supervised placement and the clinical education and training outcomes to be achieved during each placement to the training facility;
  - alignment of supply and demand for education places;
  - problems with the move by higher education providers toward increasing specialisation of programs and higher-level qualifications; and
  - collaboration to ensure appropriate educational prerequisites are met prior to placement and congruence with teaching and clinical education experience, i.e. clarity and consistency regarding the expected level of competence at commencement and completion, and expected learning outcomes.
61. Again, taking health as an example, while medical and nursing disciplines have funding for clinical training embedded in the Commonwealth cluster funding for student places, there are many allied health disciplines for which there is no explicit funding. Even where funding is provided, it does not meet the full costs of clinical or professional training.
62. The above issues were raised in a joint submission from the Queensland Minister for Education, Training and the Arts and the Minister for Health to a review of cluster funding under the Commonwealth *Higher Education Support Act 2003* in early 2007, but still remain problems.
63. The higher education functions and characteristics outlined in the discussion paper include assisting with developing and maintaining civil and sustainable regions and communities, and social and cultural structures. These contributions go beyond teaching and research, incorporating the range of important university activities that include community outreach and services. Community engagement more broadly includes activities where knowledge is generated and applied through partnerships focusing on issues of mutual concern to groups such as schools, community groups, local business or government. Such activities can involve students and be designed to enhance formal learning, may include research projects, and also activities designed to encourage interest in higher education among school students and the wider community. This role is particularly important in a highly regionalised state like Queensland, and needs to be recognised as a core activity for funding purposes.
64. As mentioned previously, Queensland is a strong supporter of internationalisation of higher education, and has provided assistance to the sector to achieve the successes it has to date. However, there is a concern that funding policies and levels have driven over-reliance in the sector on international student fees, such that recruitment activities take priority over activities that would actually create a sustainable future for internationalised institutions.

### Objectives

65. To put in place effective and efficient funding arrangements that:
- reflect the real costs of course delivery;
  - provide more funding certainty to institutions as a basis for planning over time;
  - facilitate the alignment of funding with university missions, and national, state and regional priorities;
  - recognise and support the core status of broad knowledge transfer and community engagement functions;

- give states and territories an effective role in implementing national strategic directions and priorities at the state level, and the capacity to influence outcomes; and
- enable institutions to 'smooth' funding for places over periods of fluctuating demand.

### Proposals

66. Proposals for achieving these outcomes are to:

- ensure that the Commonwealth's proposed mission-based compacts align institution missions and operations with national, state and regional priorities, provide greater flexibility to move funded places internally, and allow a university the discretion to respond to changing demand patterns. Where a state enters into an implementation agreement with the Commonwealth, compacts would include agreed state-specific outcomes;
- re-visit the activity-based costing methodology that underpins the current funding model to more accurately reflect the real costs of delivery to determine the quantum of funding at each institution. This should include the costs of clinical placements and other forms of practica;
- cover fixed operational costs through a proportion of recurrent fixed funding;
- incorporate an appropriate quantum in recurrent funding for knowledge transfer and community engagement activity;
- provide dedicated funding for national or system priorities such as initiatives to address national priority professions. Funding should be sufficient to cover, for example, targeted outreach and aspiration development, and should be sufficiently flexible to be applied to state and regional priorities;
- as mentioned previously, allow states to disburse discrete funding for priorities, and provide optional 'top up' funds, consistent with national strategic directions; and
- allow institutions to 'bank' places in times of soft demand against future demand increases. Rather than return monies to the Commonwealth for under-enrolling, universities could retain funds to re-invigorate themselves and reposition themselves for the future.

## 4 Underpinning social inclusion through access and opportunity

*Supporting and widening access to higher education, including participation by students from a wide range of backgrounds.*

### Issues

67. Maximising participation in higher education by all capable members of the community has both equity and economic dimensions. As discussed above, the proportion of Queensland's population with higher education qualifications is lower than labour market demands, and in this environment, increasing the higher education participation of currently under-represented groups will help meet current and future skills needs.
68. The most acute aspects of higher education participation relate to low SES and Indigenous Australians. Two key factors in low participation by these equity groups are access and aspiration, both of which are best addressed at the local level.
69. According to DEEWR indicators, around 18% of Queensland's university students are from low SES backgrounds, compared with around 15% nationally. Several Queensland universities are located, or have campuses in, areas of relative social disadvantage, which is the result of a conscious strategy of the state government to widen access to higher education. Consequently, Queensland's regional universities have high participation rates for low SES students, higher in fact than their high SES students. Nonetheless, challenges remain, including understanding by individuals, families and communities of tertiary education pathways, the benefits of on-going education and skills acquisition, and aspirations in general.
70. It is evident that higher education Indigenous participation strategies need a significant level of coordination and complementary action across agencies and levels of government responsible for education and training. Recognising this need for a cross-sectoral approach to Indigenous education participation, the Queensland Department of Education, Training and the Arts is developing an Indigenous Higher Education Action Plan. Consultation with a range of stakeholders in this process confirms that it is imperative to address pertinent issues in families and communities, across all education sectors, as the most effective outcomes involve engagement with Indigenous organisations that work with children and their parents.
71. DEEWR regularly reports on Indigenous higher education performance relating to access, participation, success, and retention. The reports consistently portray Queensland higher education to be performing well when Queensland Indigenous statistics are compared to national Indigenous statistics. However, comparisons of Queensland's Indigenous and non-Indigenous statistics indicate a need for greater improvement. Once again the data support the case for a differentiated approach involving state and territory governments and relevant institutions developing initiatives to suit local conditions.
72. A national approach to Indigenous and low SES participation that allows flexibility for differentiated responses to suit local/regional/state circumstances is needed. A more integrated partnership between the Commonwealth and states/territories would help identify and implement local initiatives, and can facilitate the sharing of ideas and strategies. In the case of Indigenous students, local programs are more suited to establish the antecedents of low participation in a community and to develop strategies to ameliorate enrolment rates. Institutions, and in particular university Indigenous units, often have informal outreach networks, and are better

placed to assess the needs of the local community than a national body more than one step removed from the situation.

73. University outreach activities could be undertaken and funded more strategically to target aspirations for tertiary education. This would be a legitimate 'third stream' activity aimed at raising participation rates and improving capacity to meet skills requirements.
74. One significant barrier to participation by low SES and Indigenous students is income support, particularly for those from regional communities who have to relocate to study. Income support for students has not risen at a proportional rate to inflation and the costs of living, and this presents a real threat to participation in higher education. Provision of more reasonable income support and removing or increasing the threshold of earnings permitted while claiming support would provide a greater incentive to capable students from low SES backgrounds.

### Objectives

75. To support and widen access to higher education, through:
  - enabling a coordinated yet differentiated response at local, state and national levels;
  - stimulating local or community activity by institutions while addressing the complementary need for equitable financial support for individuals;
  - acknowledging and legitimising institutions' community engagement efforts; and
  - providing a more realistic evaluation of the success of initiatives to enhance Indigenous and low SES participation.

### Proposal

76. To achieve these objectives, the Queensland Government proposes that:
  - a separate comprehensive review of Commonwealth funding of support for individuals be undertaken;
  - social inclusion be identified as a priority under the proposed national strategic statement;
  - funding compacts should have an element relating to broadening participation by under-represented groups, and institutions should be able to tailor their participation strategies and objectives to match their specific missions and the local socio-economic environment and community needs;
  - funds for this priority should include community outreach and aspiration raising initiatives run by institutions;
  - under proposed Commonwealth/state implementation agreements, specific funds for the social inclusion priority would be distributed by state and territory governments to leverage local and regional outcomes; and
  - the measure of 'success' of programs be re-considered, particularly regarding Indigenous participation. The completion of pathways programs, modules within degree courses, and sub-degree programs should be acknowledged as a successful outcome, rather than relying only on the completion of higher education awards to acknowledge success.

## 5 Enhanced quality and high standards

*Implementing arrangements to ensure that quality higher education is provided by public and private providers and that this is widely understood and recognised by clients of the higher education sector.*

### Issues

77. Australian higher education has a robust quality assurance framework, comprising the Australian Universities Quality Agency (AUQA), the National Protocols for Higher Education Approval Processes (National Protocols) and the Australian Qualifications Framework (AQF). In addition, course standards are influenced by the requirements of professional registration bodies and employer groups. Australian government policies and tied funds, such as the Teaching and Learning Fund, have focussed institutions on the student learning experience. Most research funding is based on peer-assessed competitive grants and the pending Excellence in Research for Australia (ERA) will provide a further quality ruler for research undertaken by Australian higher education institutions. In all, this framework is comprehensive and world-class.
78. Like any quality framework, the Australian higher education quality framework requires continual review and improvement. In 2006 the AUQA was subject to an independent review, which concluded that the agency has had a positive impact in raising the awareness of quality matters, in developing a commitment to quality and quality enhancement across the sector, and also in showcasing good practice within the sector.
79. AUQA also plays a crucial role in international higher education by conducting audits of institutions' off-shore operations, and through its active participation in global and regional higher education quality networks, gives Australia's quality framework an international profile.
80. AUQA is re-focussing its audit methodology in its second cycle of institutional audits, to incorporate a greater emphasis on external reference points. It faces a significant challenge to integrate a more standards-based approach with its established fitness for purpose quality audit.
81. The National Protocols have recently undergone a comprehensive review, resulting in an updated 2007 version, and new, nationally adopted guidelines. States and territories are implementing the revised National Protocols through legislation. At the same time, an inquiry has been conducted into the desirability of a national higher education regulatory agency, at the behest of MCEETYA. The inquiry found that, although there was general support for more effective coordination of the implementation of the National Protocols and national consistency in interpretation and application, support for a National Higher Accreditation Agency was mixed. The assessment of the inquiry was that an appropriate approach in the short to medium term could be to establish national mechanisms to deal with the regulation of cross-jurisdictional and offshore providers, while retaining State/Territory based mechanisms, operating within the national guidelines, for jurisdiction-specific providers.
82. Adoption of this conclusion would see the current quality audit role of AUQA, and the regulatory role of the states and territories remain, with some national-level enhancement of the latter. This is appropriate given that the outcomes of extensive reviews of both functions are only just being implemented, and have not had time to be tested or evaluated.

83. The third element of the higher education quality framework is the AQF. Since its adoption in 1995, qualifications frameworks have been developed in many jurisdictions, with a range of models, and it would be timely to review the AQF in this international context. The establishment of the new Australian Qualifications Framework Council, with a broader policy oriented charter, provides an opportune time for such a review (Note: further comment on the AQF is made in the following section).
84. An important element of quality higher education is the student experience, and fundamental to this is the provision of student services, sports and recreational activities. This has been severely impacted by the 2006 introduction of voluntary student unionism (VSU), which has seen the drastic reduction of services and amenities provided at Australian universities. The recent national consultation about VSU has shown that it has had a widespread, detrimental impact upon Australian universities and students. Most universities have diverted funding away from core institutional activities to address the lack of student services, either by providing financial support to the student association or by directly funding activities and services.

### Objectives

85. To ensure that quality higher education is provided by public and private providers by:
- capitalising on the existing robust quality framework for Australian higher education and allowing recent reforms to bed down;
  - maintaining the stake of the Australian, states and territories governments and institutions in the quality of the system;
  - maintaining the quality of the student experience in Australian higher education; and
  - providing a consistent quality message to international student markets and collaborators.

### Proposal

86. To achieve these objectives, the Queensland Government proposes that:
- quality in Australian higher education be assured by:
    - maintaining the key role of the Australian Universities Quality Agency
    - maintaining current state-based regulation under the National Protocols for Higher Education Approval Processes; and
  - the detrimental impact upon Australian universities and students of VSU be addressed by making funding available for universities to provide support services to students, whether this is in the form of government funding, institutional funding, or a HECS-style deferred payment from students.

## 6 A broad tertiary education and training sector

*Establishing the place of higher education in the broader tertiary education sector, especially in building an integrated relationship with vocational education and training.*

### Issues

87. This submission has argued for a system-wide approach to Australian higher education within the broader context of tertiary education while preserving the strengths of the sector as it has evolved to date.
88. This approach does not imply a coalescence of higher education with VET. The Queensland Government recognises distinct, separate missions for the two sectors. The mission of higher education emphasises academic knowledge and general theoretical frameworks as the basis for research and innovation. VET's mission emphasises practical knowledge and job-ready skills. Differences in missions enable both sectors to independently pursue and achieve complementary excellence without detriment to the other.
89. Nonetheless, the need to improve the links between the sectors is compelling. Where arrangements have been fashioned to establish links they are often highly prescribed and operate mainly on an institutional rather than a sectoral basis. A more rational, transparent and universal approach is needed.
90. Greater integration of the sectors without compromising their distinctive missions could be driven by revising the structure of the Australian Qualifications Framework (AQF) to provide a consistent comparative methodology between the higher education and VET sectors. Establishing a common currency for valuing achievement and more flexible packaging of different sector achievements into relevant awards could provide pathways for specific professional outcomes. Such pathways would cross the current sectoral divide by bundling knowledge and skills in accumulated modules offered by the respective sectors to build para professional and professional qualifications.
91. Arguably, the adoption of the OECD International Standard Classification of Education, as suggested in the review discussion paper, would provide the common currency to facilitate such qualifications packaging. However, in defining tertiary education programs as two years in duration and above, it would also present a significant challenge in terms of how to deal with the remainder of the current VET qualifications, and with higher education diplomas. Implementation of such a proposal would also require a different approach to funding, funding sources, and student support mechanisms.
92. Although there are issues that would need to be worked through, innovation of this kind is not only likely to provide more interesting and flexible pathways for study but also more employable graduates. It is also more likely to produce a robust labour market that can be quickly trained in response to rapidly changing industry needs for skills.
93. Higher education courses have traditionally longer lead times till graduation. Trends to four-year bachelor degrees enhance the quality of graduate outcomes but further extend lead times. At a time characterised by acute professional skills shortages there is a need to develop more flexible pathways into and through an integrated sector with more entry and exit points for each pathway. This development would allow people to gain relevant awards for low level entry to professions in shorter time periods.

94. Referring to the example of the Queensland health sector, this revision would go some way towards addressing key issues such as:

- the capacity for “uniform and comparable qualification structures” which support mobility across an integrated education system and clear entry and exits points linked to employment opportunities;
- a career development framework comprising specific training pathways that enable clinicians to generalise or specialise in response to population health needs;
- reducing duplication, increase shared learning and teaching, and education effectiveness to improve the quality and availability of the future clinical workforce in Queensland;
- consistent student entry and exit criteria to ensure that students entering courses have capacity to undertake the relevant program and to successfully achieve educational outcomes.

95. Preceding sections of this submission have highlighted the regionalised nature of Queensland, the variation in demand for higher education across regions, the need to engage a broader proportion of the population in tertiary education, and the need for funding arrangements to support regional institutions and community outreach. The submission has also pointed to the need for cross-sectoral approaches to many or most of these challenges. The extent of integration driven by a revised AQF would facilitate these approaches.

96. Taking this one step further, Queensland would support a well constructed pilot to evaluate the potential benefits of further integration. In a regional setting, integration would focus around efficiencies and effectiveness of resource sharing, co-delivery and development of courses, and responsiveness to local industry and community needs. In a metropolitan context, integration could revolve around more sophisticated pedagogic relationships, applied research, and internationalisation. In terms of applying the pilot to a particular industry sector, health would be a constructive choice, because of the relevance and critical nature of the issues the sector faces, and the breadth of education and training it encompasses.

97. Finally, another important issue in relation to a broad tertiary education and training sector is Recognition of Prior Learning (RPL). There is considerable variation in the application of RPL across the two sectors and variation in the procedures used. More consistent methodology and more affordable procedures would improve this situation and enable greater recognition of workplace learning and possibly learning achieved outside Australia. Improved RPL procedures could help people with industry experience accelerate through further study, which in turn could assist in addressing professional skills shortages.

### Objectives

98. To establish the place of higher education in the broader tertiary education sector through:

- preserving the strengths and achievement of excellence that results from separate missions for VET and higher education, while allowing innovation through dual- or multi-sector arrangements; and
- facilitating greater mobility across an integrated education system and clear entry and exits points linked to employment opportunities.

### Proposal

99. To achieve these objectives, the Queensland Government proposes that:

- a conceptual framework for Australian tertiary education be adopted comprising higher education and VET as two separate yet integrated sectors, retaining the separate missions of each to sustain the pursuit of excellence in each sector while allowing dual- or multi-sector arrangements to exist.
- the AQF Council be charged with reviewing the AQF to establish a common currency for more flexible packaging of different sector achievements into pathways for specific professional outcomes. Such pathways would cross the current sectoral divide by bundling knowledge and skills in accumulated modules offered by the respective sectors to build para professional and professional qualifications; and
- a well constructed pilot to evaluate the potential benefits of AQF integration be undertaken. Queensland would be keen to participate, with a focus on the health sector.

## 7 Policy linkages

*The review will collaborate with and take account of the work of the Review of the National Innovation System and Skills Australia. It will also consult with state and territory tertiary education authorities.*

### Issues

#### *Innovation*

100. Education, training and skills development are the foundations of an innovation system. The creation and application of knowledge for commercial, environmental and social gain underpins the nation's quality of life and comparative advantage. The education system has a key role in innovation as part of sound economic fundamentals, in providing a source of research and development and knowledge as well as in equipping Australia with the entrepreneurial and leadership skills to capitalise on knowledge and apply it.
101. Innovation within the education and training system itself is critical to ensure that it delivers the outputs needed for an innovative society. A long-term approach is required (from pre Prep to higher education and lifelong learning) to ensure Australia's systems equip students to meet future global challenges.
102. Any reforms arising from this review need to also enhance the innovation system. They should provide support for embedding the full range of innovation skills development and for innovation in curriculum and delivery in our tertiary education system.
103. Through the Smart State Strategy, the Queensland Government has provided over \$3 billion in funding for innovation, science, research and education initiatives, most of which has gone to universities. To date, over \$221 million has been committed through innovation funds towards science and technology infrastructure, skills and research projects. A further \$62.2 million is expected to be committed by the end of 2008. The State's investment has also leveraged Commonwealth and philanthropic support for a number of infrastructure projects. This has given Queensland with the capacity to support far greater levels of innovation and commercialisation in traditional industries and the newer knowledge based industries.
104. The new Education Infrastructure Fund is expected to go a considerable way to addressing the aging capital stock of universities and related costs of new buildings, refurbishment, and maintenance. However, research and infrastructure investment needs to be co-ordinated across the range of funding sources to maximise outcomes. In addition to its considerable investment in this area, the state also has a range of other initiatives to foster innovation, industry and regional development that could be more directly linked to and coordinated with national programs to leverage maximum impact. These include innovation precincts, regional Centres of Enterprise, and Skills Formation and Smart Industries strategies.
105. The most discussed model for innovation and research funding is the 'hub and spokes' approach. On the face of it, this model has the potential to foster the kinds of collaboration necessary for innovation across a range of activities and disciplines. There is significant scope for regional universities to be powerful drivers of local regional economies through specialisation in their areas of research excellence thus ensuring that they are maximising their contact with and utility to industry. While prioritisation has its place, any potential hub and spoke model should not hinder the

capacity of regional or less mature institutions to develop new expertise in areas of national, state and/or regional priority.

106. Universities are key drivers of innovation that arises from research in addition to skills development. Yet, as discussed previously in this submission, the provision of adequate funding for the range of university activities remains a major issue. The shared interest and role of different levels of government in any innovation system underline the importance of state governments having input to the development and implementation of both the research and general or operational funding mechanisms and parameters for universities.

#### *Queensland Skills Plan*

107. The *Queensland Skills Plan* (QSP) is a billion dollar investment in the most significant overhaul of the state's vocational education and training (VET) sector in 40 years. The plan was launched in March 2006.

108. The QSP initially dealt with skills requirements up to the associate professional level. The Plan has been revised in 2008, and its purview significantly expanded beyond vocational education and training to include measures to alleviate skill shortages in the professions, initially targeting occupations critical to service delivery and growth such as nursing and information technology. The overarching aim of the inclusion of professional skills in the QSP is to support further integration of the vocational education and training and higher education sectors to maximise outcomes for skills across the board. Clearly, Queensland has a vested interest in the outcomes of this review aligning with the objectives of the QSP, and the success of the plan would be enhanced through the adoption of system-based, cooperative approach to higher education, and the tertiary sector more broadly.

#### Objectives

109. The review outcomes link up with and take account of other national and state level policy developments to:
- ensure Australia's systems equip students to meet future global challenges and support embedding the full range of innovation skills development and for innovation in curriculum and delivery in our tertiary education system;
  - facilitate a coordinated, better integrated system for identifying and responding to skills requirements across the tertiary sector; and
  - support state-based skills initiatives within overarching national priorities.

#### Proposals

110. The Queensland government proposes that:
- the links between this review and the innovation system review are intrinsic, and in this context outcomes need to take a long-term approach across the full spectrum of education and training.

## Attachment 1

### HIGHER EDUCATION IN QUEENSLAND

#### *Queensland's university system and coverage*

Queensland has eight public universities and one private university, with some 190,000 students. In addition, 22 non-university providers have been accredited to offer higher education courses in the State, catering to over 5,000 students. While each of the universities has a physical presence in a defined area, or areas, each takes in students from around the State, most have substantial numbers of international students (over 50,000 in total) and operate from multiple sites within Queensland and overseas.

**Table 1 Queensland Universities**

University	Domestic Students	International Students	Total Students
Australian Catholic University	2,608	327	2,935
Bond University	1,992	2,643	4,635
Central Queensland University	11,406	13,899	25,305
Griffith University	26,977	8,358	35,335
James Cook University	12,070	3,308	15,378
Queensland University of Technology	33,418	5,106	38,524
The University of Queensland	30,911	6,607	37,518
University of Southern Queensland	16,348	8,895	25,243
University of the Sunshine Coast	4,641	1,146	5,787
<b>Total Queensland</b>	<b>140,371</b>	<b>50,289</b>	<b>190,660</b>

Source: DEEWR Higher Education Statistics Collection, compiled by Office of Higher Education (Academic Year 2006).

Six of Queensland's universities are located in the south-east of the State: The University of Queensland (UQ), Queensland University of Technology (QUT), Griffith University, Bond University, University of the Sunshine Coast (USC) and the Australian Catholic University (ACU). Seventeen campuses are spread across the Brisbane, Gold Coast and Sunshine Coast area. The University of Southern Queensland (USQ) is based in Toowoomba, and has campuses at Springfield in Brisbane's west and at Fraser Coast, as well as a presence in Brisbane and overseas. Central Queensland University (CQU) has five campuses in central Queensland, as well as delivery sites on the Sunshine Coast, capital city campuses in Brisbane, Sydney and Melbourne, a campus on the Gold Coast and four overseas locations. James Cook University (JCU) is based in Townsville, with a campus in Cairns and smaller sites located in Mount Isa, Mackay and Thursday Island. JCU courses are also delivered in partnership with education providers in Brisbane, Sydney and Melbourne and the university operates a number of offshore facilities.

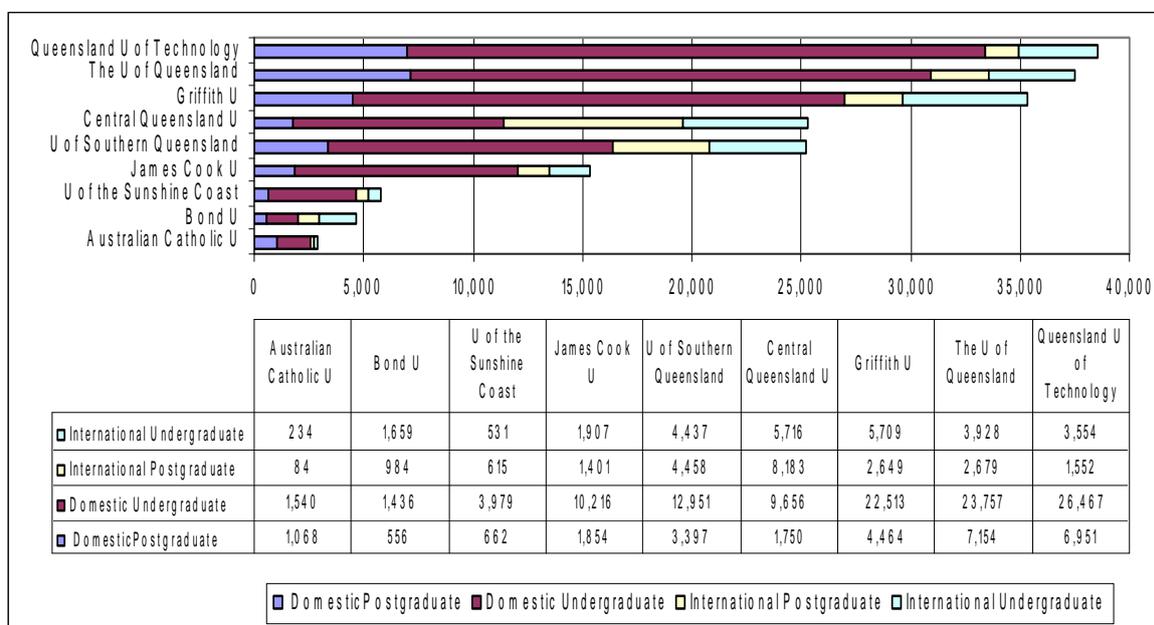
In addition to the physical spread of universities, a variety of distance education programs are offered, with a total of one quarter of students in Queensland universities enrolled in external or multi-modal learning. This share ranges from zero (Bond) to 85% (USQ).

In 2006, Queensland universities taught over 129,000 Queensland students, and enrolled over 12,000 students from other States and Territories. School-leavers from Queensland

Year 12 studies made up 47% of the commencing domestic undergraduate cohort. This share ranged from 30% (CQU) to 52% (UQ).

All universities offer undergraduate and postgraduate studies to doctoral level, in a wide variety of fields of study, with 27% of students undertaking postgraduate studies.

**Figure 1 Queensland University Enrolments**



Source: DEEWR Higher Education Statistics Collection, compiled by Office of Higher Education (Academic Year 2006).

Each of Queensland's universities is involved in research, although there is considerable variation in the allocation of research resources among universities and in research intensity (the ratio of research to other activities).

**Table 2 Research Activity Queensland Universities 2006**

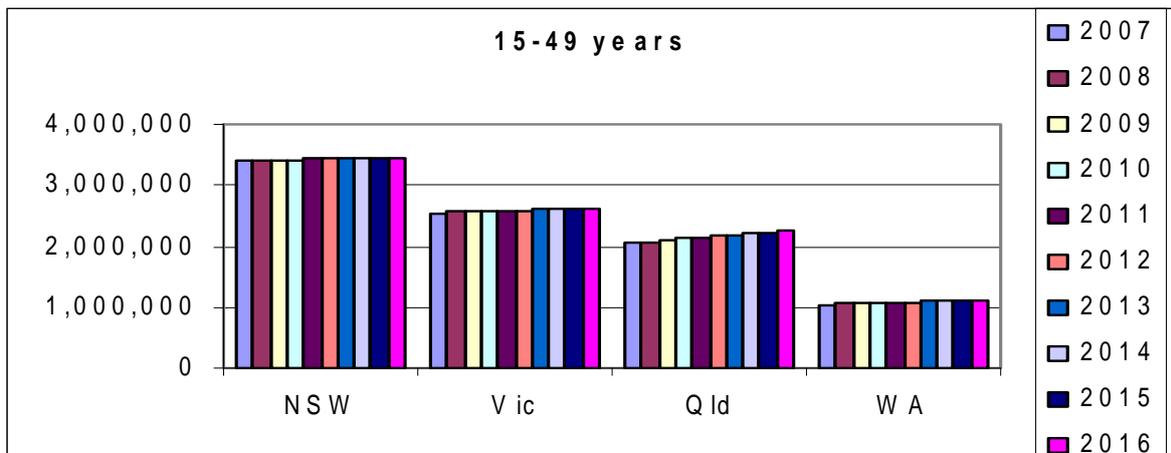
	Research students 2006 (%)	Share of Queensland's DEST/ARC research income 2006 (%)
Bond University	1.4	-
Central Queensland University	1.1	1.7
Griffith University	3.9	12.5
James Cook University	4.6	8.3
Queensland University of Technology	3.5	13.4
The University of Queensland	9.6	60.8
University of Southern Queensland	0.8	2.9
University of the Sunshine Coast	1.6	0.4

Source: DEEWR Higher Education Statistics Collection, compiled by Office of Higher Education (Academic Year 2006).

## Access and participation

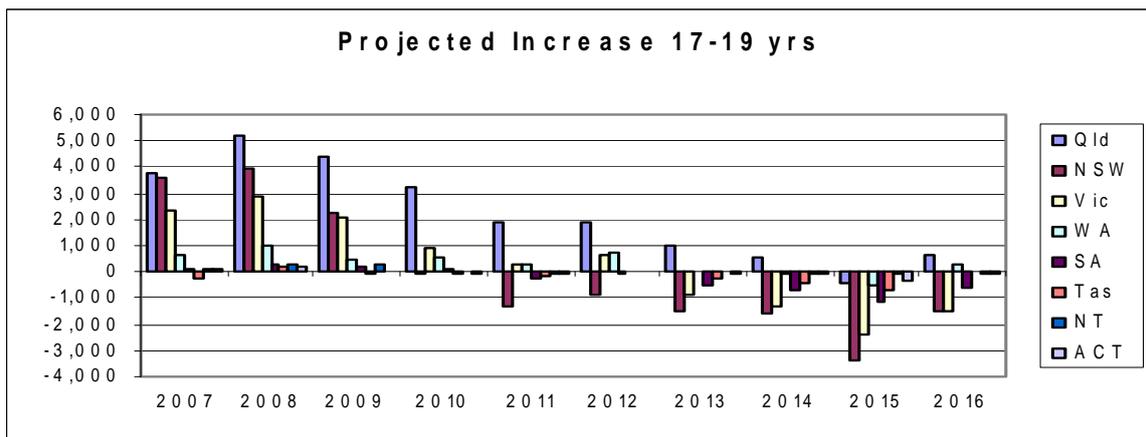
Over the next decade Queensland will see a continuation of rapid population growth, with the main focus being the south-east corner. The Australian Bureau of Statistics has estimated that over the next decade, the population of Queensland will increase by around 800,000 people. During this period, Queensland will record 52 percent of national growth in the 15-49 years age group, and 63 percent of national growth in the 15-24 year age group, cohorts which are more commonly engaged in higher education than other age groups. Figure 9, later in this document, shows the medium series ABS projections across Queensland regions.

**Figure 2 Projected population 15 to 49 years Australian States and Territories**



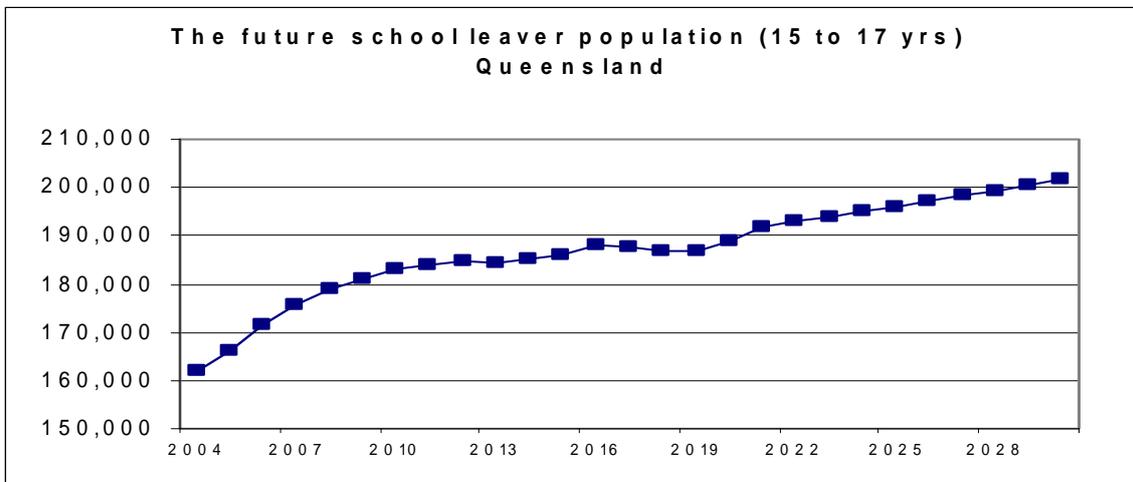
Source: Population Projections, Australia, Catalogue 3222.0, ABS (Dec 2005), Series B (Medium).

**Figure 3 Projected growth 17 to 19 years Australian States and Territories**



Source: Population Projections, Australia, Catalogue 3222.0, ABS (Dec 2005), Series B (Medium).

**Figure 4 Projected growth Queensland school leaver population (15 to 17 years)**

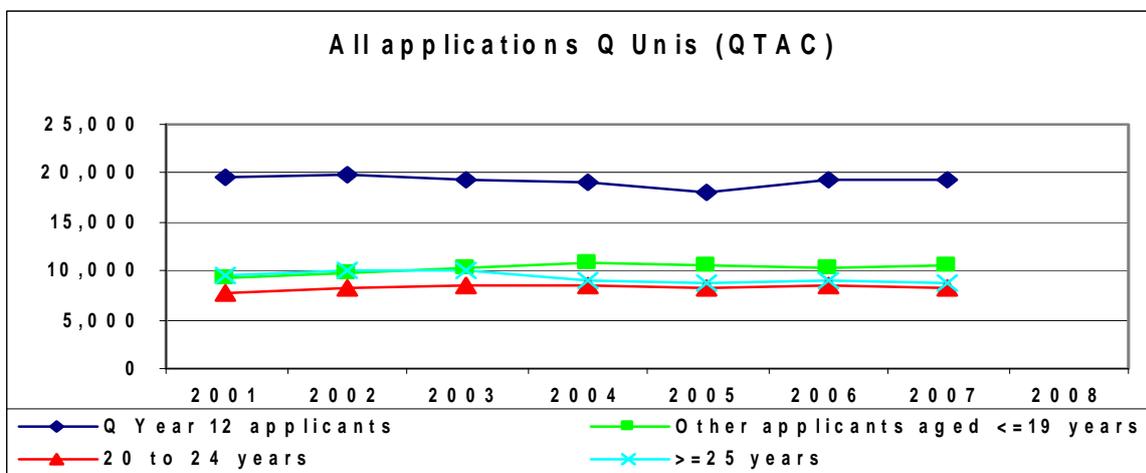


Source: Population Projections, Australia, Catalogue 3222.0, ABS (Dec 2005), Series B (Medium).

**Demand for higher education and skills shortages**

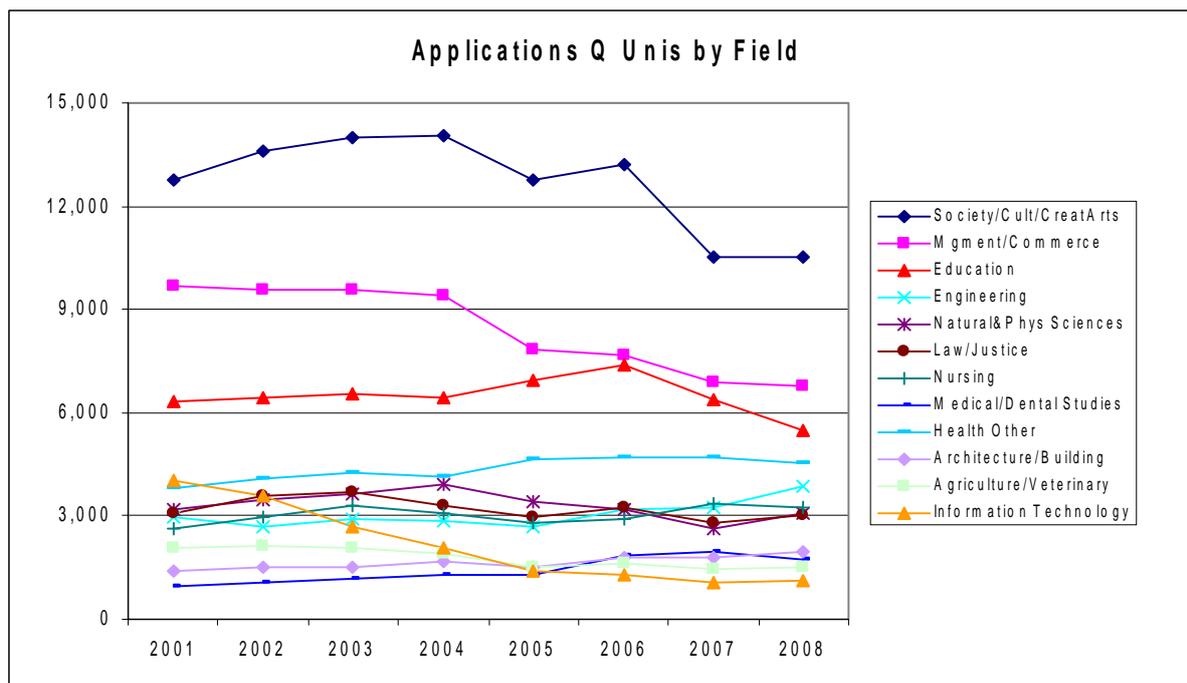
Queensland is experiencing both cyclical and acute professional skills shortages, and relies to a significant level on the output of the State’s higher education system to meet labour market demands. Demographic and economic changes point to ongoing but shifting demand although, as Figure 5 illustrates, in recent years the buoyant nature of the labour market has seen overall student demand remain stable and the supply of places overall is at present sufficient, and even exceeds demand in some areas. Figure 6 shows that demand for some priority skills fields such as Health (with the exception of nursing) and Engineering is trending upwards, while other priorities such as Education and ICT are trending down.

**Figure 5 University demand trends as seen by university applications through Queensland Tertiary Admissions Centre**



Source: Queensland Tertiary Admissions Centre Statistical Reports 25 to 31.

**Figure 6 Demand trends by Field**



Source: Universities Australia, annual reports on Undergraduate Applications, 2001 to 2008.

### Higher Education in Regional Queensland

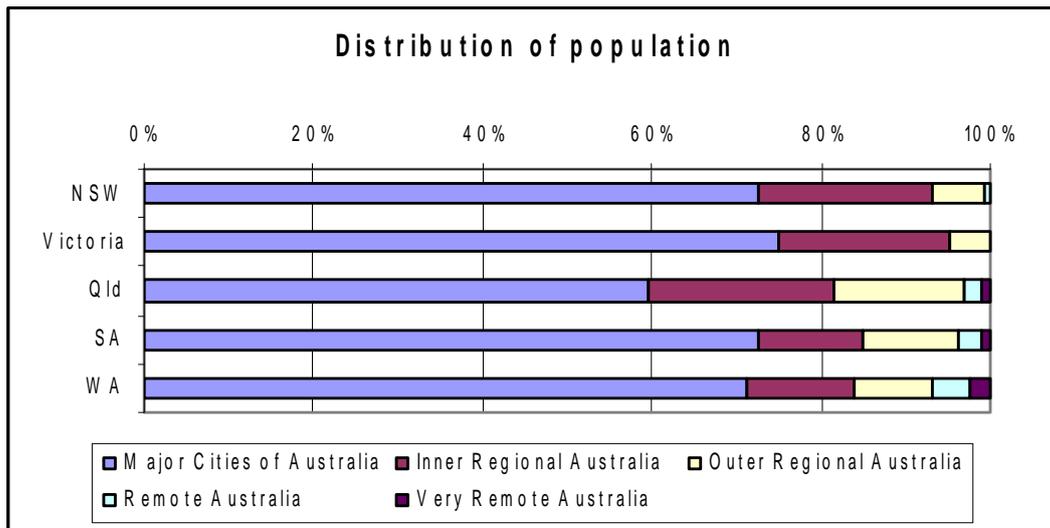
Queensland has the most regionalised population in the country, with 40.3 percent of the population living outside major cities (see Table 3 and Figure 7). This is considerably higher than the proportion recorded in New South Wales (27.3 percent) and Victoria (25.1 percent), and the national average (31.5 percent).

**Table 3 Population Distribution, Larger Australian States 2006**

		NSW	Victoria	Qld	SA	WA	National
Major Cities of Australia	No.	5,008,351	3,899,454	2,497,053	1,151,905	1,502,654	<b>14,398,791</b>
	%	72.7	74.9	59.7	72.7	71.4	<b>68.5</b>
Inner Regional Australia	No.	1,400,391	1,048,940	916,357	191,660	266,657	<b>4,144,378</b>
	%	20.3	20.2	21.9	12.1	12.7	<b>19.7</b>
Outer Regional Australia	No.	443,109	252,123	633,947	181,810	193,550	<b>1,986,607</b>
	%	6.4	4.8	15.2	11.5	9.2	<b>9.5</b>
Remote Australia	No.	32,784	4,699	84,751	45,478	94,926	<b>316,464</b>
	%	0.5	0.1	2.0	2.9	4.5	<b>1.5</b>
Very Remote Australia	No.	4,437	0	49,954	13,660	47,966	<b>170,982</b>
	%	0.1	0.0	1.2	0.9	2.3	<b>0.8</b>
Total	No.	6,889,072	5,205,216	4,182,062	1,584,513	2,105,783	<b>21,017,222</b>
	%	100	100	100	100	100	<b>100</b>

Source: Population, Catalogue 3218, ABS (Mar 2008).

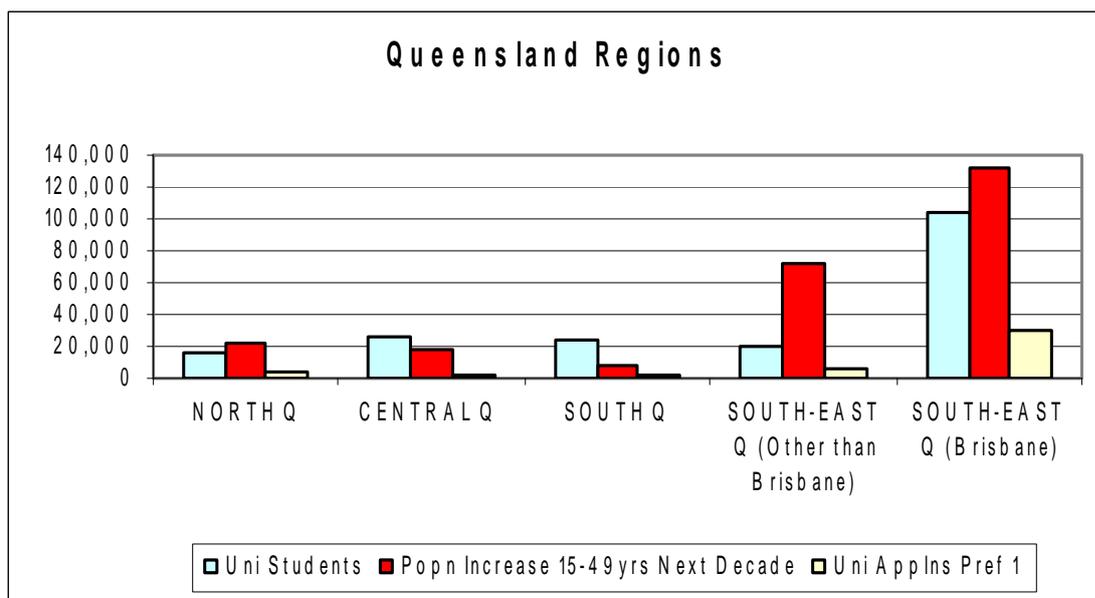
**Figure 7 Population Distribution, Larger Australian States 2006**



Source: Population, Catalogue 3218, ABS (Mar 2008).

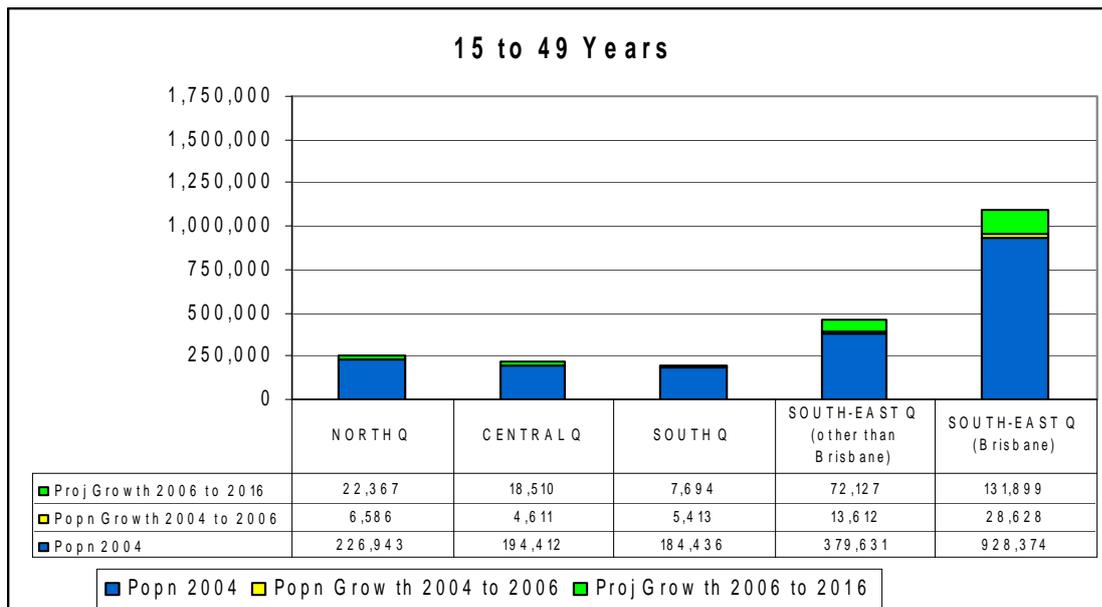
Within Queensland, the majority of university campuses are located in the south-east corner (SEQ). This has resulted in an unbalanced spread of enrolments between metropolitan and regional campuses. While South-East Queensland – that is, Brisbane and the Sunshine and Gold Coasts - has 67 percent of the State’s population, it receives 78 percent of university applications and has 72 percent of university enrolments (see Figure 8). Currently, nearly three-quarters of Queensland’s growth in the 15-49 years higher education cohort is in the south-east corner, and Figure 9 indicates that this growth pattern is likely to remain the same or even skew further. Figure 10 shows that school to university transfers are significantly higher in Brisbane and the south east, suggesting the uneven spread of enrolments is not likely to change in the near future.

**Figure 8 Population, Students and Applications in Queensland Regions**



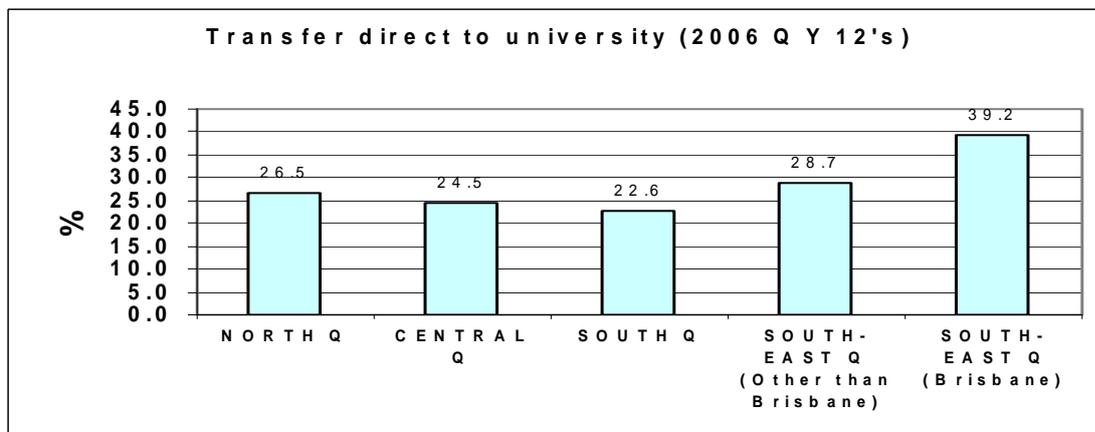
Source: DEEWR Higher Education Statistics Collection, compiled by Office of Higher Education (Academic Year 2006); Population, Catalogue 3201.0, ABS (Dec 2007); Population Projections, Queensland Regions, Queensland Treasury Office of Economic and Statistical Research, Medium Series (May 2006); Qld Tertiary Admissions Centre Statistical Report 31 (Entry 2007).

**Figure 9 Projected Population Growth 15 to 49 years Queensland Regions**



Source: Population, Catalogue 3218.0, ABS (Feb 2006); Population Projections, Queensland Regions, Queensland Treasury Office of Economic and Statistical Research, Medium Series (May 2006).

**Figure 10 Transfer to University in Queensland Regions**



Source: Qld Tertiary Admissions Centre Statistical Report 31(Entry 2007).

### Regional campuses and regional development

The establishment of regional universities and their campuses has previously been used by the Queensland Government as a method of prompting or enhancing development of a specific region. As well as regional campuses, the State Government has invested in and sponsored numerous forms of regional community engagement, and has assisted with knowledge-transfer infrastructure such as technology parks and innovation centres.

Community engagement more broadly includes activities where knowledge is generated and applied through partnerships focusing on issues of mutual concern to groups such as schools, community groups, local business or government. Such activities can involve students and be designed to enhance formal learning. They might be research projects, and

they can also include activities designed to promote and encourage interest in higher education among school students and the wider community.

## ***Attachment 2***

### **Professional Skills Shortages in Queensland**

The following professions have been identified as labour market priorities which are likely to have a significant impact on Queensland's future economic and social well-being. While these professions are currently experiencing shortages in Queensland, they are not necessarily in high demand nationally or in other states or territories.

National projections of future job growth published by DEEWR in 2007 (*Australian Jobs 2007*) suggest the strongest growth in professional occupations will be in ICT and social welfare and security, with moderate growth in accounting and finance management, building and construction, health and fitness, and teaching. This list of occupations differs to Queensland's priorities for professional skills outlined below.

#### *Nursing*

While Queensland Health and labour market data have identified shortages in a range of health professions, Queensland Health advises the most acute area where new initiatives could be effective is registered nursing, across all specialisations, in regional and metropolitan areas. Labour market research suggests nursing shortages are due to factors associated with attraction and retention. However, university enrolments in nursing programs are not keeping pace with workforce demand, further exacerbating shortages. A key challenge for nursing education is providing satisfactory arrangements for clinical training. It is projected that in 2008 there will be a shortage of roughly 1,100 nursing professionals in Queensland. If this level of nursing shortages continues, there will be a deficit of 4,066 registered nurses, across all specialisations by 2016. The current shortages persist despite increases in the number of applicants choosing nursing as first preference through the Queensland Tertiary Admissions Centre (QTAC).

#### *Other medical professionals*

The extent of shortages in medical professionals is fully documented, and work by government and other stakeholders to address issues is well advanced. Following the Queensland Public Hospitals Commission of Inquiry and the Queensland Health Systems Review, the Government, primarily through Queensland Health, has implemented a number of strategies to address the critical issue of the supply of medical professionals in the state. Further, as a national issue, supply of medical professionals has been the subject of a number of initiatives auspiced by COAG.

The Queensland Government recognises that doctors are in urgently short supply throughout the state, but stakeholders, including institutions and Queensland Health, are currently taking all measures possible to address the situation.

#### *Engineering and building professionals*

The research data indicates that, despite recent increases in enrolments in engineering, supply is not matching demand. Retention of engineers and building professionals in the public sector and the regions is a particular difficulty, with the latter aggravated by the current economic and resources boom in Queensland. Specialities in high demand include mechanical, civil, mining and metallurgical engineers, and it is estimated that there will be a shortage of roughly 1,750 engineering and building professionals in Queensland in 2008. The majority of the growth in the sector is predicted to take place within three years. This is problematic given the long lead time for completion of professional qualifications. Building professionals in short supply include project managers, quantity surveyors, town planners, building surveyors and architects, as well as various different engineering specialists. Demand for building professionals is likely to increase in the coming years as the

Queensland Government has extensive infrastructure plans for current and future developments.

#### *Other mining and power industry professionals*

In addition to engineers, there are shortages in the mining and power industries across a broad range of professions. These include various types of geoscientists and geologists, as well as project managers. Shortages are felt by both industry and government.

#### *Information and communication technology (ICT)*

Labour market data identifies computing professionals as a critical area of shortage, and this is supported by advice from Queensland government agencies that much in-house ICT capacity has been lost. The shortage is characterised by declining higher education demand and enrolments in ICT in recent years. Both industry and ICT education providers have identified that flagging interest in the field is partly due to a popular misconception that there is an oversupply of ICT professionals in the labour market, and that therefore job security is low. However, declining enrolments coupled with high growth in Queensland have created the opposite situation. It is also becoming harder to fill positions, as employers are increasingly seeking very specific skills mixes in computing professionals. It is projected that in Queensland in 2008, there will be a shortage of roughly 2,200 computing professionals, or 7.6 percent of the existing workforce. Skilled migration has played a large role in addressing the shortages, with a net gain of 402 ICT professionals to Queensland in the 2005-06 year; this figure represents 40 percent of Queensland domestic graduates from university ICT courses.

#### *Specialist Teachers*

The number of commencing students in teacher education at Queensland universities increased from 2003 to 2005. But while the number of graduates from university education courses is quite high overall, some teaching specialisations have been experiencing severe shortages for several years, particularly in regions. Particularly acute shortages have been identified in the areas of special education, and in mathematics and science. Shortages in the latter two areas have ramifications for the supply of engineers and scientists. Recent agreement of the Early Childhood Development Subgroup of the COAG Productivity Agenda Working Group to provide universal access to childcare will create demand for teachers with early childhood specialisation. Factors giving rise to shortages vary in relation to different specialisations. There has been a decrease in the number of applicants choosing education as first preference with QTAC of around 25 percent in the last three years.

#### *Accountants/Auditors*

Accounting specialists are used across all areas of industry, and therefore economic growth increases demand. Industry is taking steps to address the shortage, such as offering employment to university students before completion of their programs, and employing graduates from unrelated fields as accountants, and offering training to teach the requisite accounting and auditing skills. There are both demand and supply side issues, as demand from employers has not been matched by supply of graduates from universities or skilled migrants. In late 2007, Queensland had 2,883 accountancy and auditing vacancies, comprising 21 percent of all such vacancies in Australia, second only to New South Wales.

#### *Agricultural scientists*

Primary industries and agriculture are crucial to Queensland's economy. With 50 percent fewer graduates in agricultural science now than five years ago, shortages in the stock of agricultural scientists and other relevant professions are predicted. Reasons for the decline include a poor image of agriculture and related industries such as forestry, low starting and ongoing remuneration, and the location of most work in rural areas. Agricultural science is identified as being an emerging priority both nationally and internationally, due to the expected, increased pressure on world food supply.

## Attachment 3

### Comparisons of Participation in Higher Education and VET in Queensland, NSW and Victoria

Data presented in the table below demonstrate a consistent pattern of lower attainment in higher education in Queensland compared to the national average and statistics for the larger populated states. Although the proportion of Queenslanders holding a bachelor degree or higher award has grown from 12.6 percent in 1997 to 20.7 percent in 2007 similar growth has occurred nationally rising from 15.6 percent to 24.1 percent for the same years. Comparing statistics between states shows Queensland's proportion of higher education graduates is approximately 4 percent lower than NSW and almost 6 percent lower than Victoria.

Data for attainment of VET qualifications shows the proportion of Queenslanders holding these awards has grown from 30.6 percent in 1997 to 36.4 percent in 2007. The figures show a relatively consistent pattern of a slight increase (approximately 1 percent) above the national average. Comparing statistics between states shows Queensland's proportion of VET graduates is approximately 3 to 4 percent above Victoria and roughly the same as NSW.

The combined figures for non-school qualifications reflect the growth trends in the two component sectors over the period 1997 to 2007. Comparing state and national figures suggests Queensland is approximately 2 percent lower than the national average, approximately 4 percent lower than NSW and roughly 2 percent lower than Victoria.

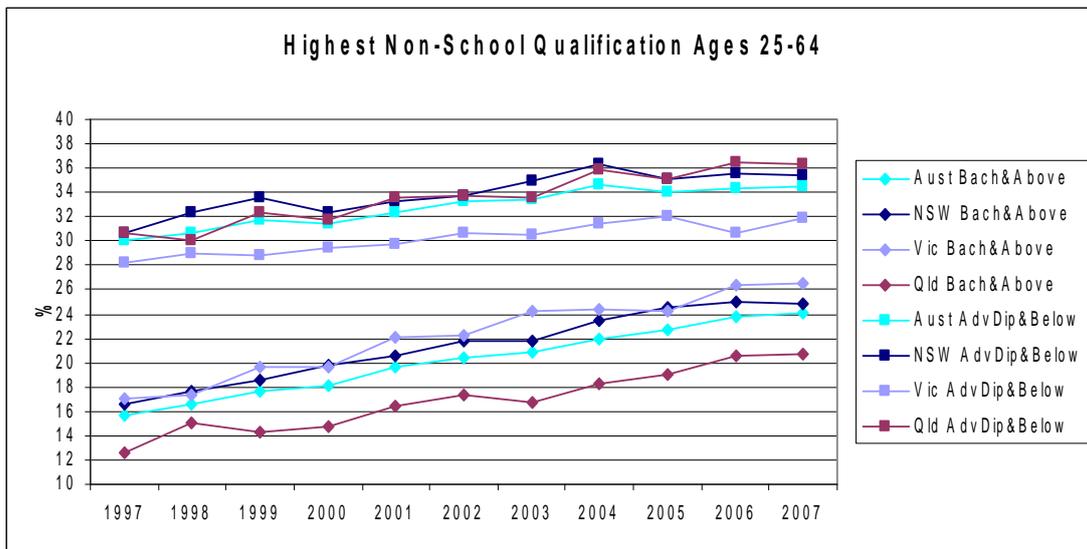
**Table 4 Highest Non-School Qualification 25 to 64 Years Australian States and Territories**

Highest Qualification	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Bachelor Degree and Above (percent)</b>											
<b>Australia</b>	15.6	16.6	17.7	18.1	19.7	20.4	20.9	21.9	22.7	23.8	24.1
<b>NSW</b>	16.6	17.7	18.6	19.8	20.6	21.8	21.8	23.4	24.5	25.0	24.9
<b>Victoria</b>	17.1	17.4	19.7	19.7	22.1	22.3	24.3	24.4	24.3	26.4	26.6
<b>Queensland</b>	12.6	15.0	14.3	14.7	16.4	17.4	16.8	18.3	19.0	20.5	20.7
<b>Advanced Diploma and Below (percent)</b>											
<b>Australia</b>	30.0	30.7	31.7	31.4	32.3	33.2	33.4	34.7	34.1	34.4	34.5
<b>NSW</b>	30.6	32.3	33.6	32.4	33.2	33.8	35.0	36.4	35.1	35.6	35.4
<b>Victoria</b>	28.2	29.0	28.9	29.5	29.7	30.7	30.5	31.5	32.0	30.6	31.9
<b>Queensland</b>	30.6	30.1	32.4	31.7	33.5	33.8	33.5	35.9	35.1	36.5	36.4
<b>All Non-School Qualifications (percent)</b>											
<b>Australia</b>	45.5	47.3	49.4	49.5	53.3	54.4	55.3	57.5	58.1	59.4	59.4
<b>NSW</b>	47.2	49.9	52.2	52.2	55.5	56.7	58.0	60.9	61.1	62.3	61.4
<b>Victoria</b>	45.3	46.4	48.6	49.3	52.8	53.8	55.6	56.6	57.5	58.0	59.3
<b>Queensland</b>	43.3	45.1	46.7	46.4	50.7	51.6	51.4	54.9	55.3	58.2	57.6

Source: Measures of Australia's Progress, Catalogue 1383, ABS (Apr 2008).

These data have been used to generate Figure 11. It shows the consistent rising trend in the sector data across the period 1997 to 2007, and the consistent gaps between the proportions of Queensland's higher education and VET graduates with the national average and those of NSW and Victoria.

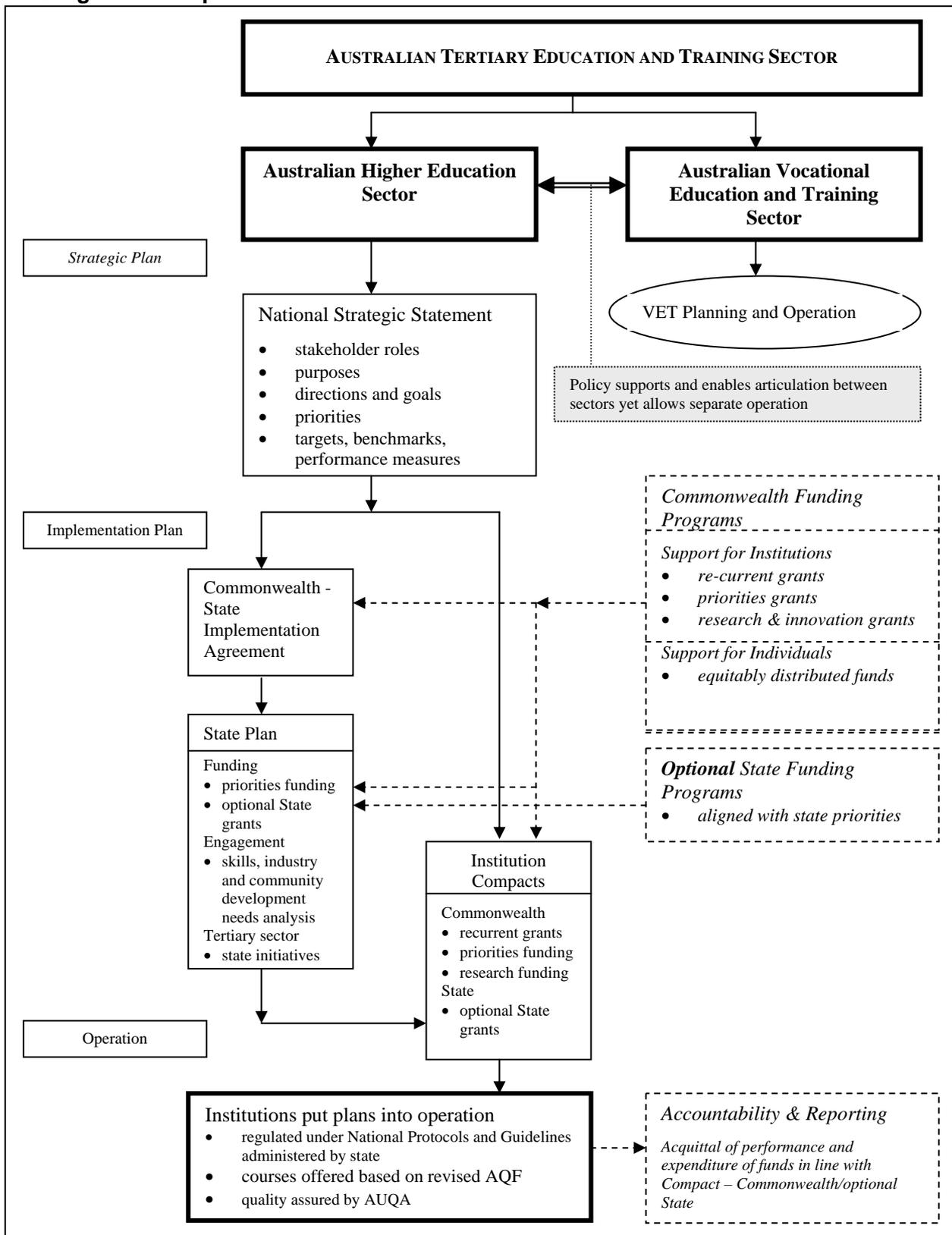
**Figure 11 Highest Non-School Qualification 25 to 64 Years Australian States and Territories**



Source: Measures of Australia's Progress, Catalogue 1383, ABS (Apr 2008).

# Attachment 4

## Diagram of Proposed Model



### Institution Compacts:

- Commonwealth targets, resource allocations and reporting requirements negotiated either
  - directly with each institution, or
  - through state government and incorporating state priorities under Implementation Plan; and
- Optional state funding and reporting requirements negotiated between state and institution

## Attachment 5

### Higher Education Issues Affecting Queensland Health

#### Overview

It is projected that if current health spending continues unabated, the public health spend will consume the entire State Budget by 2042.<sup>1</sup>

As labour costs are the largest single item of expenditure by health<sup>2</sup> and consumes most of the health budget, the effectiveness of the workforce largely determines the effectiveness of the health service. Rapidly evolving health care environments require new knowledge and skills and will require changes to traditional workforce models. Foundation and higher education plays a critical role in preparing a work ready workforce that has the capacity to respond to evolving technologies and changing health needs.

Despite implementation of a significant range of initiatives in recent years, there remains a disconnect between education and industry workforce needs. In 2004, *The National Health Workforce Strategic Framework* was endorsed by the Australian Health Ministers Conference and later by the Council of Australian Governments (COAG) as the guide for national health workforce policy, planning and investment in the health workforce. The framework has been adopted by all jurisdictions. Three of the seven principles for reform directly relate to education and training of the health workforce:

*Principle 1.* Ensuring and sustaining the supply of the health workforce.

- Align education and training supply with projected workforce requirements and health service needs to achieve long-term national self-sufficiency or supply.

*Principle 2.* Workforce Distribution.

- Target training and education where there is greatest need.

*Principle 4.* Ensure the workforce is sufficient, skilled and competent.

- Identify formal mechanisms for the effective engagement of the health, education and training sectors.
- Align education and training programs with health service needs.
- Develop new and innovative ways to deliver health education and training, which facilitate accelerated entry and flexible delivery.
- Promote initiatives that encourage practitioners to maintain level of skills, knowledge and competence that aligns with evolving health consumer needs and changes in service delivery.

The significant gaps in the delivery of health education and training identified in the Productivity Commission Research Report 2005 *Australia's Health Workforce* have not been fully addressed and include:

- There are insufficient student places to address health workforce shortages, despite the expansion of health related university and Vocational Education and Training (VET) sector places.
- The length of education programs reduces capacity of the system to quickly respond to shortages.
- Education and training courses have not kept up with changing health care needs and service models.

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<sup>1</sup> Honourable Anna Bligh MP, Premier of Queensland, *Inaugural ANSZOG Public Lecture*, 4 July 2008, Brisbane.

<sup>2</sup> S. Page, K. Willey, *Workforce development: planning what you need starts with knowing what you have*. Australian Health Review vol 13, April 2007

- Pathways between VET and university sectors impede movement between enrolled and registered nursing.
- There is a lack of access to clinical training—with particular concerns for allied health and medical specialties—with both the Australian and State/Territory governments seen to be falling short of providing adequate support. Contributors to the access problem were the failure to consider the clinical education and training implications of policy to boost student numbers, the trade-off between service delivery and training in a constrained budget, changing case mix within public hospital settings reducing the breadth of training options in this sector, and impediments to training in the private sector.
- Poor coordination between the Commonwealth and States/Territories in regard to funding universities, between health and the higher education sectors, and between different aspects of education.
- Professional and service customs and practices reinforce current roles and responsibilities, and hence, spheres of influence and power – creating barriers to change.

In its conclusion, the report recommended strategies to increase the role of government health sectors in the allocation of university places, for facilitating changes in health education and training models and creating more sustainable clinical education and training capacity.

Nationally, *Health and Community Services* is listed as the top industry in terms of projected employment workforce growth in the years 2007 to 2012 with an anticipated job growth of 3percent or 169 000 new jobs<sup>3</sup>. The health workforce is projected to increase as a percentage of the total workforce from 11.3percent to over 20percent by 2025.

In April 2006, the *Queensland Health Ministerial Taskforce on Clinical Education and Training* was established to review and make recommendations to the Minister for Health on issues relating to clinical education and training across medical, nursing and midwifery, allied health and oral health professions and disciplines.

The Final Report identified key contextual factors, common issues across disciplines, and identified 7 Common Outcome Areas to describe where Queensland should be in relation to clinical education and training in 5 -10 years time. These were underpinned by a set of principles that guided the formation of 51 recommended strategies. Pertinent aspects of this report are highlighted in this submission.

## **Responses to Discussion Questions**

### ***Statement of functions and characteristics of higher education***

#### **Uniform and comparable qualifications**

It is proposed that identified characteristics include the capacity for “uniform and comparable qualification structures” which support mobility across an integrated education system and clear entry and exits points linked to employment opportunities as implemented through the European Higher Education Area (Bologna) process.

#### ***Meeting labour market and industry needs***

Health education and training must be linked to current and future workforce needs.

Education and training must mirror evolving changes in health care delivery and population morbidity and demographics. Education providers have not kept pace with the rate of change in industry practice.

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<sup>3</sup> DEWR Industry Skills Council *Australian Jobs 2007*,

## **Diversity of Education and Training Models**

Within health streams, models of education and training are diverse. There is often considerable overlap between models, and with certain common benefits and shortcomings.

For example, variations occur in relation to the point in the educational/occupational timetable at which clinical education occurs, the length of training, the expected outcomes and methods of assessment, and whether specific education and training experiences are obligatory or optional. Other variations relate to who delivers clinical education and training. For example, clinicians may deliver training and/or educators engaged by either education or health service providers through paid, part remunerated or pro bono arrangements.

As a result, there is a lack of consistency across higher education providers in relation to the course content and phases of education such that students at same stage of the program possess differing levels of competence.

## **Work Readiness**

Of particular relevance is the concept of “work readiness” or a graduate’s capacity to fully perform the duties of their employment in the health system. In addition to clinical skills and knowledge, there may be gaps in areas such as time management, the pressures on the health care system, understanding of the function of the interdisciplinary team, and organisational and professional culture readiness.

This concept needs to be clearly defined by industry in partnership with education stakeholders and used to inform the development of education and training programs. Training should occur within a career development framework comprising specific training pathways that enable clinicians to generalise or specialise in response to population health needs.

There is also the need for additional training requirements for all areas of the health workforce to improve its capacity to provide culturally competent service delivery to Aboriginal and Torres Strait Islander people.

## **Funding and Innovation**

Innovation in education is difficult in an environment of funding uncertainty and multiple accountabilities. Security and consistency of adequate funding is required to facilitate innovation. In many instances it is seen that the efforts of universities to secure appropriate funding and the focus on the recruitment of international students may impact on the capacity to maintain quality programs let alone innovate.

## **National Accreditation**

Through the development of a National Registration and Accreditation Scheme for Health Professions, Health Ministers will have responsibility to set standards for the accreditation of health courses. There is potential for an emphasis on cross-disciplinary practice/inter-professional learning and achievement of required competencies based on international accreditation standards could be introduced.

## **Capacity for Clinical Education and Training**

A significant component of health education includes the provision of clinical education and training i.e. described as the component of health practitioner education that allows students to put theoretical knowledge into practice within the patient/client care environment. This may occur across the spectrum from professional pre-entry to prevocational to specialist level.

The capacity of industry to meet increasing demand for clinical education and training for all health students is limited. Priority for placements is generally domestic Commonwealth supported students and domestic fee paying students, with a limited number of placements offered to international fee paying students.

Clinical Training Networks across the public, private and non-government sectors should be established where appropriate. Networks should be established as collaborations between employers hosting clinical education and training and higher education institutions or speciality training bodies/colleges depending upon the nature of the individual networks.

Principles should be established to guide the implementation of future public/private health sector partnerships to educate and train the clinical health workforce. These principles may vary between disciplines and professional groups.

Universities should clearly identify their individual clinical placement requirements in terms of both hours of supervised placement and the clinical education and training outcomes to be achieved during each placement to the training facility. A corporate framework should be established that informs the negotiation of Student Deeds of Agreement.

The Office of the Chief Nursing Officer, Queensland Health, is undertaking the development of the Formulation of a Best Practice Model for Clinical Education and Training for Nurses/Midwives in Queensland which will provide an implementation plan for consideration by October 2008.

### **Student choice**

There is a need to establish mechanisms to align supply and demand for education places, and the national coordination of a marketing strategy for health professions could influence student choice.

### **Increasing specialisation**

The move by higher education providers toward increasing specialisation of programs and higher-level qualifications i.e. graduate entry for previously under-graduate programs is creating barriers to health practitioner supply in terms of the longer period of time to train and increased cost to students.

### **Articulation Pathways**

An integrated tertiary education system which provides clear and simple articulation pathways across VET, university and college programs and which support identified exit and entry points linked to employment opportunities is required. The United Kingdom model in which Health purchases required training programs, and initiatives aimed at higher education at work could be reviewed for its applicability to the Australian/Queensland context.

### **Academic Staffing**

Universities struggle with recruitment and retention of academic staff. There is need to facilitate the increase in joint academic appointments across education and health, and enhance opportunities for experienced clinicians with demonstrated recent contemporary practice experience to move into education sector. Such approaches have potential to reduce demand on clinicians teaching in the workplace.

### **Opportunities to participate**

#### **Indigenous Health Workforce**

At the Indigenous Health Equality Summit (20 March 2008) Minister Roxon announced the Government's commitment of \$19 million over three years in a National Indigenous Workforce Training Plan. The Plan aims to both strengthen the Indigenous health workforce and encourage more Indigenous people to take up careers as health professionals, and ensure Indigenous health is incorporated into all health professional curricula.

Targets of (for example) 2.4percent of all health professionals being from Aboriginal and Torres Strait Islander backgrounds by 2012 would mean that the health workforce would need 2570 nurses, 2000 Aboriginal health workers, 928 doctors, 275 pharmacists, 213 physiotherapists, 149 medical imaging professionals, 161 dentists, 119 occupational

therapists and 59 optometrists. These targets represent a significant challenge to education sectors to increase Indigenous participation in pathways leading to higher education qualifications.

There is the opportunity to potentially utilise Queensland Health's remote health facilities as learning centres for outreach /telehealth programs to support the training of Aboriginal and Torres Strait Islander Health Workers and other Indigenous health students.

### **Rural and Remote**

Providing rural and remote areas with a suitably qualified and competent workforce is critical. Robust support mechanisms for students including income support, access to affordable and safe accommodation, mentorship and case management are needed.

Traditional scholarship schemes can be complemented by cadetships, traineeships, and other "earn as you learn" initiatives developed in partnership with industry.

The Queensland Health Rural Scholarship Scheme aims to establish career pathways to rural health practice in multiple disciplines from tertiary to postgraduate education/training and service placement. To support scholarship holders in their placements in rural and remote health facilities and ultimately increase recruitment and retention in the Scheme, a support network and case management approach has been implemented.

Although there is evidence that training people close to home promotes retention in that locality, stand alone rural and remote campuses may not be viable in terms of sustainability and quality of education. Rural clinical schools should be multidisciplinary and linked to larger regional universities. Appropriate infrastructure development is required, and there is a need for mechanisms to ensure consistency in the quality of educational outcomes across regions.

### **Taxation arrangements**

Current taxation arrangements set through the Australian Taxation Office in relation to assistance available to students differ for students studying either through the VET or university sectors e.g. diploma versus degree level entry. Changes must be introduced to ensure that no such taxation disincentives exist.

### **Student Experience of Higher Education**

There is evidence that a positive education and training experience improves retention within courses and ultimately within the chosen profession and/or the health system.

### **Measuring quality**

Quality of educational outcomes must also be measured effectively if the concept of work readiness is to be translated into practice. Current measures of employment rates and student satisfaction with programs are not valid indicators of quality outcomes. The introduction of a competency-based approach could address this issue. This could include measurement of generic competencies such as problem solving, communication, teamwork and research; broader health related competencies; as well as discipline specific competencies.

### **Student: Staff ratios**

The reduction of Staff: Student ratios have created difficulties in the teaching of clinical skills in some professions where careful supervision/modelling is required in the teaching process.

### **Student Competencies**

Higher education and health service providers offering student placements must collaborate to ensure appropriate educational prerequisites are met prior to placement and congruence with teaching and clinical education experience i.e. clarity and consistency regarding the

expected level of competence at commencement and completion, and expected learning outcomes.

### ***Connecting with other education and training sectors***

#### **Health workforce planning**

Queensland Health should retain accountability and responsibility for health workforce planning in Queensland. Workforce planning guides the development of a broad range of strategies that enhance clinical education and training capabilities.

#### **Education and Health Industry partnerships**

Higher education and health must actively collaborate to reduce duplication, increase shared learning and teaching, and education effectiveness to improve the quality and availability of the future clinical workforce in Queensland.

Formal partnerships between the higher education sector, private health sector, Queensland Health and non-government organisations should be enhanced as a mechanism to inform the development of education programs and improve the management of clinical placements.

The sharing of capital and IT infrastructure, such as through the collocation of university and vocational education and training campuses alongside health service delivery campuses, would facilitate quality and efficiency.

#### ***Higher education's role in the national innovation system***

With the essential emphasis on evidence-based practice, there is an intrinsic link between research and health service practice. There is a clear need to improve research skills in graduates to support growth in practice-based research.

Australian based research needs to be relevant internationally but should also inform local practice. Higher education providers should have an extended role in translating research into practice e.g. by delivering in-service training to health practitioners.

#### ***Australia's higher education sector in the international arena***

##### **International Competitive**

The establishment and maintenance of a higher education system that produces internationally competitive health graduates is essential. There is future potential for international registration schemes to support practitioner mobility internationally.

##### **International students**

The increase in numbers of international students has placed an increasing demand on health services to provide the clinical placements required within health programs. For these students, English as a second language may often result in communication difficulties and increase the level of support and supervision required during placements. A potential option is for higher education providers to broker clinical education and training components within the student's country of origin. This raises issues re quality of placements and capacity to ensure students meet educational requirements.

It is recommended that the health industry negotiate consistent student entry and exit criteria with higher education providers to ensure that students entering courses have capacity to undertake the relevant program and to successfully achieve educational outcomes.

Requirements for support for these students need to be defined and mechanisms established to maximise potential to succeed. This is onerous for education providers and needs to be specifically funded.

There is also recognition that while many providers have established effective supports for international students, domestic students with similar needs may not have access to these services.

### ***Resourcing the system***

#### **Cost Sharing and Accountability**

As identified in the Discussion Paper, policy and funding of education and training has shared responsibility and accountabilities across governments, industry and students. Current Commonwealth funding levels and policies and cost sharing arrangements across Commonwealth/State jurisdictions in relation to the funding of higher education create barriers to health workforce reform.

Strategies to address skill mix and options for role substitution through the greater utilisation of VET sector trained professionals by jurisdictions create a greater cost impost for States/Territories, as this sector is largely State funded in comparison to Commonwealth funded university education and training. It is imperative that funding arrangements that facilitate these future directions support health workforce reform.

#### **Capacity to adapt to changing need**

Current arrangements also create disincentives to offering university places in disciplines where there might be skills deficits, but where student demand is low. (Although student demand remains high in most health fields). However, allocating places to areas of skills deficit does not guarantee students uptake. The allocation of places will need to be matched with greater efforts to encourage students to take up such places. Workforce requirements and student demand are subject to fluctuations, influenced by a range of economic and social factors. Future allocation models or mechanisms should have the capacity to adapt to and cater for these fluctuations.

Under the Commonwealth Grants Scheme, Medicine/dentistry, nursing, health, and behavioural sciences are funded through differing clusters with the level of funding per places varying considerably. It is apparent that the levels of funding provided, particularly for allied health and nursing do not meet with full costs of program delivery. For example, under existing arrangements for allied health overall Commonwealth funding for undergraduates is only half of that for medicine.

Capping of student contributions further exacerbates this situation, as universities are unable to increase the student contribution. The Commonwealth should raise the public funding levels to compensate for the lower income to universities in these cases.

#### **Clinical education and training**

While medical and nursing disciplines have funding for clinical training embedded in the Commonwealth cluster funding for student places, there are many disciplines for which there is no explicit funding. In the case of medical students, funding is in the order of \$1,500 per EFTSL per annum (equivalent full time student load, funded places only), and for nursing students \$1,000 per EFTSL. In the case of allied health students, there is no separately identified clinical training component.

The above issues were raised in a joint submission from the Minister of Education Training and the Arts and the Minister of Health to the Commonwealth, in relation to its review of cluster funding under the Commonwealth Higher Education Support Act 2003 in early 2007. In 2008, dentistry and medicine are included in cluster 7 (\$18,227 pa); nursing in cluster 5 (11.280 pa); and psychology and allied health in cluster 4 (\$10,106 pa). Social sciences and "other health" places are included in cluster 3 (\$8,217).

In that submission, the Ministers suggested the placing of subjects for health related programs in a single 'health' cluster, with additional funding for programs with clinical or practicum components.

The Ministers also raised issues with current pipeline arrangements, and the mismatch between the standard 75percent attrition assumed, and the reality of higher retention in some health areas, such as nursing. No usable attrition rate for allied health disciplines has been identified at state or national level.

### **Governance and regulation**

The current accreditation system impedes the capacity of universities to change courses to be responsive to industry need.

Potential issues for further accreditation systems including the standardisation of the length of equivalent programs, the requirement for industry input into the development of curriculum, the use of simulation in training, and a move away from the current emphasis on hours of clinical training to a focus on the development of competencies.