

Australian education: thinking about the new ‘post-COVID normal’

20 October 2020

This briefing note unpacks the key changes the Australian tertiary education sector has experienced as a result of COVID-19 and considers the lasting impacts the pandemic may have.

As 2020 draws towards a close and all Australian States and Territories have now brought the spread of the novel coronavirus under control, it is timely to reflect on the profound changes to work and study that the pandemic has both brought about and accelerated. Equally importantly it is timely to examine which changes are likely to have a long-lasting impact and therefore what a “post-COVID normal” will look like for the Australian tertiary education sector.

It seems apparent at this stage that as the world waits for a vaccine, the measures taken by governments, institution and individuals in response to the pandemic will have a long-lasting impact on:

- Student profiles in Australian institutions
- Flexible working arrangements
- Innovative delivery models
- Changing teacher profiles, and
- Growing competition from outside the sector.

Concurrent reforms to tertiary education funding and regulation are also in train. Given the propensity for policy change in the Australian VET and higher education sectors, their impact is likely to be less permanent than changes resulting directly from the pandemic, and hence this briefing notes but does not discuss their impact in detail.

The current state of play

Higher education

The Australian higher education sector is dominated by the public universities, but it should be noted that there is also has a handful of domestic private universities, one overseas university offering Australian qualifications (Carnegie Melon University), and a number of non-university higher education institutions.

Much has been written about the impact of COVID-19 on the public university sector. Financial losses from the closure of Australia’s borders (with many Chinese students back in China for the Lunar New Year at the time that the borders closed and students unable to travel to Australia for second semester start dates on campus) have been compounded by the design of the government’s JobKeeper wage subsidy scheme to exclude the public universities.

At the time of writing, the government’s reforms to domestic university student funding have passed the parliament and their introduction is now a formality. Research funding was brought forward in the 2020 Budget to help mitigate the loss of international student revenues and longer-term discussions on a ‘sustainable research funding pipeline’ are underway through the Research Sustainability Working Group.¹ Legislation is also before the parliament to make changes to the definitions of different higher education providers.

Collectively these changes to research funding and the classification of different higher education providers can be expected to further diversify the sector through, for example, government funding for domestic students studying at university colleges and some public universities possibly struggling to maintain their status as a university.²

In terms of the impact of COVID-19 on the private university sector – their access to the JobKeeper wage subsidy scheme and their lack of access to Commonwealth funding for their domestic students means that they face challenges similar to the specialist non-university providers described below.

Non-university higher education providers tend to fall into one of six types, albeit with some overlap between the different categories. Privately owned institutions, particularly those with heavy exposure to the international student market, have been assisted by the government’s JobKeeper wage subsidy scheme:³

- **University pathways partners** – typically larger global institutions (although not exclusively) these providers are highly reliant on international student revenues and have been impacted along with their university partners by the closure of Australia’s international borders. Some had previously invested in sophisticated online learning and support offerings and have been able to assist their university partners in educating students during the pandemic, while others are understood to have laid off relatively large numbers of staff. For reasons explained below those partnering with more prestigious universities are likely to do better as international borders re-open.
- **Specialist providers** – typically these providers have close links to industry and offer courses outside of ‘mainstream’ university offerings (eg creative arts, natural medicine). Typically these institutions focus more on the domestic student market and have approval to offer FEE-HELP loans to their domestic students. Many also teach international students.
- **International education providers** – these providers offer international students an alternative to the universities through trimester based timetables, strong links to industry, smaller class sizes and lower student fees. They tend to enrol proportionately fewer Chinese students but often have a higher reliance on students from India and Nepal. Some recruit exclusively international students who are already onshore and these institutions may be under pressure during the pandemic from other providers lowering their fees to retain existing students and/or also trying to recruit onshore students.
- **Theological colleges** – there are a number of registered providers in Australia offering religious study and training, as well as a range of courses in other disciplines. They typically educate both international and domestic students.
- **TAFE Institutes** – a declining number of TAFE Institutes are higher education providers (for example South Metropolitan TAFE has recently chosen not to renew its higher education registration and CIT has indicated they are in teach-out mode as a higher education provider). The remaining eight TAFE Institutes offer a range of courses across different disciplines to both domestic and international students. Melbourne’s TAFE Institutes offering higher education (William Angliss, Holmesglen and Melbourne Polytechnic) have the widest variety of courses across the eight TAFE HEPs.
- **Professional associations** – a number of professional organisations have higher education accreditation for the courses they offer to their members (eg Australian Institute of Police Management which is operated by the Australian Federal Police, and The College of Law which is the school of professional practice for Australian and New Zealand lawyers).

VET Providers

Prior to COVID-19, TAFEs in the three largest States (New South Wales, Victoria and Queensland had been experiencing financial difficulties).⁴

Generally TAFEs educate relatively few international students (with overall numbers declining at most institutes in recent years),^a and hence the closure of Australia's borders has had less impact on TAFE Institutes than on other VET providers.

With their much greater reliance on public funding it is unsurprising that TAFEs have been either the only VET provider or the dominant provider approved to deliver short courses funded by State and Territory governments as an immediate response to COVID-19. This additional revenue stream will now be supplemented further by TAFEs' share of the \$1 billion in additional funding being made available via the new JobTrainer program.

Private VET providers tend to fall into one of three types. They have been differently impacted by the pandemic as a consequence of their different funding sources and student cohorts. The private sector was eligible for the government's JobKeeper wage subsidy which means that to date only 76 providers have contacted the Australian Skills Quality Authority seeking to 'hibernate' their registration.⁵ The different provider types focus on either:

- **Government-funded students** – many of these providers have faced financial uncertainty and funding changes over the past decade as governments introduced and then withdrew funding, redesigned programs, reduced funding levels for (or places in) popular qualifications, and in some jurisdictions redirected funding to TAFEs. However with the commencement of the JobTrainer funding program this month these providers can be expected to manage successfully in 2021 and beyond if additional funding is made available as expected in the next National Skills Agreement.
- **Domestic fee-for-service students** – less is known about these providers because of a relative lack of research and data. This group will be impacted in the short-term by employers' willingness/ability to pay for training in a recession (although the changes in the Budget to lift the fringe benefits tax on a wider range of corporate training⁶ may be of assistance to some fee-for-service VET providers). More broadly these providers are particularly impacted by issues associated with the detailed, prescriptive content of national Training Packages and their currency. Where Training Packages do not meet industry need and non-accredited/industry accredited alternatives are available – domestic fee-for-service enrolments are impacted unless there are regulatory requirements for learners to undertake their courses (eg first aid).⁷
- **International students** – private providers specialising in educating international students have experienced strong growth in recent years which helps to explain the fact that only nine of the 76 providers with their registration currently in hibernation have CRICOS approval to deliver to international students.^b Some were focussed pre-pandemic on recruiting students already on-shore by offering cheaper fees. The business model and revenues of these organisations will have been squeezed by the closure of Australia's borders – with other providers also moving to lower fees to retain students/attract new onshore students. Providers who have invested in strong offshore agent networks and have good partnerships/articulation arrangements with higher education providers are likely to have also made the switch to online learning more readily and at this stage to still be educating most of their expected student load.

The fate of enterprise registered training organisations will depend on the financial viability and long-term futures of the parent company which the RTO is situated in. A number of high profile ERTOS are amongst

^a Public universities grew their international student enrolments by 61% between December 2015 and December 2019 (rising from 223,163 enrolments to 359,861). By contrast international student enrolments in TAFE declined by 17% and dropped in absolute numbers from 19,951 to 16,487 (<https://www.austrade.gov.au/Australian/Education/Education-data/Current-data/pivot-tables>)

^b Private VET providers grew their international student enrolments by 78% between December 2015 and December 2019 (rising from 148,613 enrolments to 265,046).

the 76 providers to have put their registration on hold during the pandemic (eg Qantas, Boeing, Fire and Rescue NSW).

The English language sector has been the most badly damaged by the pandemic and the subsequent closure of Australia's borders. Historically some English language students arrived in Australia on a student visa looking to improve their language skills and then undertake further tertiary study, while others were tourists, backpackers and other visa holders looking to improve their command of English while spending time in Australia. The short-term nature of English language study (usually weeks rather than months or years) means that once students finished their studies this year providers' revenues largely dried up.

Private English language providers have been eligible for the JobKeeper wage subsidy program which, combined with the registration hibernation option offered by ASQA, will allow some to relaunch next year when Australia's borders reopen. This will be easier for those who educate international students and have pathways/links to VET and higher education providers. Those providers which have historically focussed on working holiday makers and tourists will find it much more difficult to operate in 2021 with international students likely to return well before international tourists and working holiday makers. For this reason the English language sector has been actively lobbying governments to try and ensure their students are foremost in the minds of officials when designing plans for the return of international students.⁸

Against this overview of the current state of the sector and the challenges impacting on different provider types – it is timely to ask what the future of the sector look like in terms of who studies and who teaches in Australian tertiary education institutions, how institutions will deliver education, and what the competition looks like?

Tertiary education students in a post-pandemic Australia

Domestic students

Even with Australia's health response to the pandemic being comparatively one of the best in the world,⁹ COVID-19 has still profoundly damaged the Australian economy. The country is now in its first recession in nearly 30 years¹⁰ and the number of people in receipt of unemployment benefits has doubled since February 2020 to 1.4 million.¹¹ Many more workers are underemployed and may lose their jobs when the government's wage subsidies are withdrawn.¹²

Tertiary education will be a key driver to help these unemployed and underemployed workers learn new skills, find new jobs, and/or start their own businesses. Or as Matt Burnin of the British Council noted prospective students do not have much else to do, "the gap year doesn't look terribly attractive, the job market doesn't look terribly enticing."¹³

While governments have provided funding for additional places in higher education and VET in response to the pandemic, the actual number of new places on offer is well below the level needed to address the magnitude of the unemployment/underemployment problem.

The VET sector has welcomed 340,700 additional JobTrainer places funded by the Commonwealth, States and Territories.¹⁴ In the higher education sector the Commonwealth has announced funding for an additional 100,000 extra places in the next four years – mostly in the public universities and with half being short online courses available until 2022.¹⁵ Collectively that still leaves no funding for education and training for almost one million unemployed Australians.

Some additional growth in public university places in 2021 (beyond those anticipated by the government) is likely as some universities will choose to encourage more students into courses with low levels of government funding and high student fees. This will enable them to ‘stretch’ their government funding further and increase student places (and overall revenues) beyond those modelled in the government’s figures.¹⁶ Additional funding is expected for more VET student places but not until January 2022 and there are no signs yet on the quantum of the increase.¹⁷

Some unemployed or underemployed workers unable to get a place in a public university or at a publicly-funded VET provider are likely to look to the private sector to meet their study options. The government’s university funding reforms raise student fees for degrees in business, commerce, communications, humanities and law to \$14,500 per annum – taking them much closer to the annual fees of private higher education institutions and hence making these institutions with their strong student satisfaction rates,¹⁸ small class sizes and close links to industry increasingly attractive university alternatives. The concurrent reduction in the loan administration fee on FEE-HELP loans will also make private higher education more attractive to students.¹⁹

In the VET sector – the VET Student Loan scheme will allow some learners wanting to reskill and unable to access a government subsidised place to pursue their study options. In January 2020 reforms were introduced to amend some of the features of the scheme which had been negatively impacting both providers and students.²⁰ The latest application round for providers to be approved to offer VET Student Loans has just closed. It is expected to expand the scheme in terms of both the number of students accessing loans and the quantum of funding available through the scheme from January 2021.

International education

The extent of Australian universities’ reliance on China has been widely discussed.²¹ India and Nepal are our universities next most important sources of international students (despite Nepal having a population approximately the size of Australia’s, which is much lower than 1.3 billion people living in both China and India).

What is less frequently discussed is that in recent years amongst our Top 5 source countries there has been an absolute decline in students from Malaysia studying in Australia and a relative decline in students from Indonesia.

Table 1: Higher education enrolments, overseas students, top five source countries, 2013-2019²²

		2013	2014	2015	2016	2017	2018	2019
Nepal	Enrolments	8,005	10,144	12,176	15,123	21,339	28,120	34,403
	% total	3.5%	4.1%	4.5%	5.0%	6.1%	7.1%	7.8%
Indonesia	Enrolments	8,717	8,469	8,470	8,733	9,272	9,883	10,614
	% total	3.8%	3.4%	3.1%	2.9%	2.7%	2.5%	2.4%
Malaysia	Enrolments	14,962	14,348	14,395	14,586	14,647	13,982	13,080
	% total	6.5%	5.8%	5.3%	4.8%	4.2%	3.5%	3.0%
India	Enrolments	16,653	26,237	35,135	44,311	54,012	71,668	90,333
	% total	7.2%	10.5%	12.9%	14.5%	15.5%	18.0%	20.5%
China	Enrolments	85,724	89,087	96,768	112,505	133,542	152,534	164,458
	% total	37.2%	35.7%	35.6%	36.8%	38.3%	38.3%	37.3%
All other countries	Enrolments	96,658	101,065	104,697	110,048	116,271	121,936	128,107
	% total	41.9%	40.5%	38.5%	36.0%	33.3%	30.6%	29.0%
Total	Enrolments	230,719	249,350	271,641	305,306	349,083	398,123	440,995

Source: Department of Education, Skills and Employment (DESE), *Basic pivot table 2002 onwards*, extracted 23 July 2020.

While all Australian universities educate international students – the proportion of revenues different institutions earn from international education and the proportion of international students in their student cohort differs significantly. Four members of the prestigious Group of Eight universities (the University of NSW, the University of Sydney, the University of Melbourne and Monash University) receive more than a third of their income from overseas students.²³

Some of these institutions are indeed in a risky situation. And yet, for the most part, elite universities are well placed to make it through the crisis thanks to hefty cash reserves and the ability to borrow on more generous terms. The very top tier are unlikely to struggle for students for long. "If you're a prestigious institution, people are not going to turn down a hard-won opportunity to earn a diploma that has a lot of brand value, even if earning it turns out to be less fun and more inconvenient than they thought it would be," suggests Kevin Carey of New America.²⁴

Speakers at this year's *Australian Financial Review Higher Education Summit* indicated that prestigious universities in Australia are also faring better than other universities during the pandemic. Representatives from the University of Sydney and the University of New South Wales both shared the positive news that despite the pandemic, thousands of their international students were enrolled and studying online (in-country and offshore). By contrast the Vice Chancellor of Central Queensland University indicated that his university had only a few hundred international students studying online. He observed that with a large number of CQU students coming from India and the Indian government being less accommodating of online study with international institutions during the pandemic than, for example, the Chinese government has been; CQU would likely look to diversify their student intake in future as a risk mitigation strategy.²⁵

The impact of COVID-19 on international student numbers in the VET sector has been much less severe than for higher education. There are a number of reasons for this including the earlier start to the academic year in VET (with most students on-shore when Australia's international borders closed), a lower reliance

on Chinese students (and hence fewer students in China for Lunar New Year festivities when the borders closed), and the VET sector was still in growth mode prior to the pandemic whereas international student commencements in the higher education sector had started to plateau pre-pandemic. Nonetheless despite their comparatively better circumstances, some VET providers have been badly impacted by the pandemic and many are likely to be seriously impacted if borders do not open for international students in 2021.

The commencement of pilot schemes to safely return international students to the Northern Territory and New Zealand are good signs (and progress on similar schemes in South Australia and New South Wales means they are also expected to commence shortly).²⁶

The unfortunate reality that the UK, Europe and the US are still struggling with the health impact of the coronavirus means that Australia, New Zealand and Canada will be attractive, safe study destinations for international students from 2021 onwards.²⁷ And according to experts in the field there is likely to be a backlog of demand from countries including India where students put their study on hold in 2020 and are likely to look to commence their overseas education next year, inflating the number in the 2021 overseas student cohort.²⁸

In addition, with predictions that Australia faces a decline of up to one million skilled migrants in the next 12 months, and the long-term implications this will have on the economy (in terms of the ageing population, lower tax receipts and decreasing demand for housing),²⁹ it is possible that Australia may move to offer international students more incentives to stay and work in Australia post-graduation.

Where the work will be done

COVID-19 has seen white collar workers around the globe working from home for months at a time. Whether or not this shift is a temporary or permanent one is being debated and for each article/study claiming that we are all social creatures and videoconferencing is a poor substitute for face-to-face engagement³⁰ comes another which argues that workers value the flexibility of working from home and we are unlikely to return to permanently working full-time in offices again.³¹

One of the key challenges in determining the longevity of this change is that while workers were working from home during COVID-19, many were also juggling childcare and other responsibilities, and simultaneously were often restricted in the number of people they could socialise with outside of working hours (creating a set of additional responsibilities during work hours and/or longer work days and few opportunities for widespread social interactions to balance the isolation of not being in an office for work). Despite this there is good evidence³² emerging of the productivity benefits of allowing more people to work from home and the preference of many workers to retain the flexibility of spending part of the week working from home.³³

An increased prevalence of working from home allows businesses to reduce their leasing/property costs and potentially staff wages where companies pay workers in capital cities higher wages in recognition of the high cost of housing in suburbs close to capital cities. If workers are spending less time in the office and commuting they can live further out/in regional areas where housing costs are lower.³⁴

In considering the evidence and arguments for and against more working from home, it is unlikely that many Australian companies will follow the lead of Twitter, Facebook, Dropbox or Microsoft and allow workers to work from home permanently.³⁵

Instead it seems more likely that Australian employers will allow employees to work 2-3 days per week at home,³⁶ and then work in the office for the rest of the week. In this scenario the work done in the office is

likely to be quite different eg strategy meetings, planning sessions and the like which do not translate easily to the virtual environment.

If workers spend less time in the office, then younger and newer workers will require additional support as they start work in organisations. Further, many middle managers will need to learn how to manage differently – away from a focus on ‘presenteeism’ and towards a focus on results.

It should be noted that some companies, notably Amazon and Atlassian³⁷ are investing in property in the expectation that in the ‘post-COVID new normal’ their staff numbers will continue to grow and they will predominantly work in the office.

Education institutions

Within the tertiary education sector, many institutions employ a high proportion of casual teachers and hence there was already considerable flexibility in working from home pre-COVID, with marking and other student administration tasks managed just as easily at home as on-site. However the pandemic has shown that a range of administrative functions can also be performed effectively from home and ongoing flexibility in working arrangements for these staff is likely to continue.

In addition to growing worker demand for more flexible working arrangements, come major changes to how education is delivered (see below) which will collectively see less money spent on physical facilities for face-to-face teaching, and investments instead directed towards more sophisticated online learning and student support technology.

Delivery modes are changing

Teaching and student support services are areas where most Australian institutions have relied on traditional face-to-face delivery models. It is not only providers that are now feeling more comfortable about online delivery – teachers and learners are also becoming more comfortable with online learning – because the pandemic has meant they have had to adapt.³⁸

Beyond the initial rush to move online at the start of the pandemic with extensive use of webinars, powerpoint and pdfs (Online Learning 1.0),³⁹ we have now seen providers and students settle into a greater familiarity with online delivery. The benefits of more asynchronous delivery and the use of more sophisticated technology are in turn delivering improved educational outcomes.⁴⁰

Providers which started the pandemic with more sophisticated delivery models have further enhanced their blended or fully online learning models. For these providers their educational offerings have progressed to include greater interactivity and in some cases more use of virtual and augmented reality. Founder of Insendi, David LeFevre, refers to the shift as comprising three phases: “stabilise, enhance, and innovate” and goes on to argue that

“Educational technologists will become central to teaching and learning strategy as never before. They will require a greater degree of agility and support from senior leadership if they are to build the underlying IT infrastructure on which success will fundamentally depend. Student representatives will need to give feedback in real time about what works and what does not. Throughout this activity, new expert teams will gradually emerge that are capable of delivering sophisticated and high-quality approaches to online education which reflect the needs of their own communities.”⁴¹

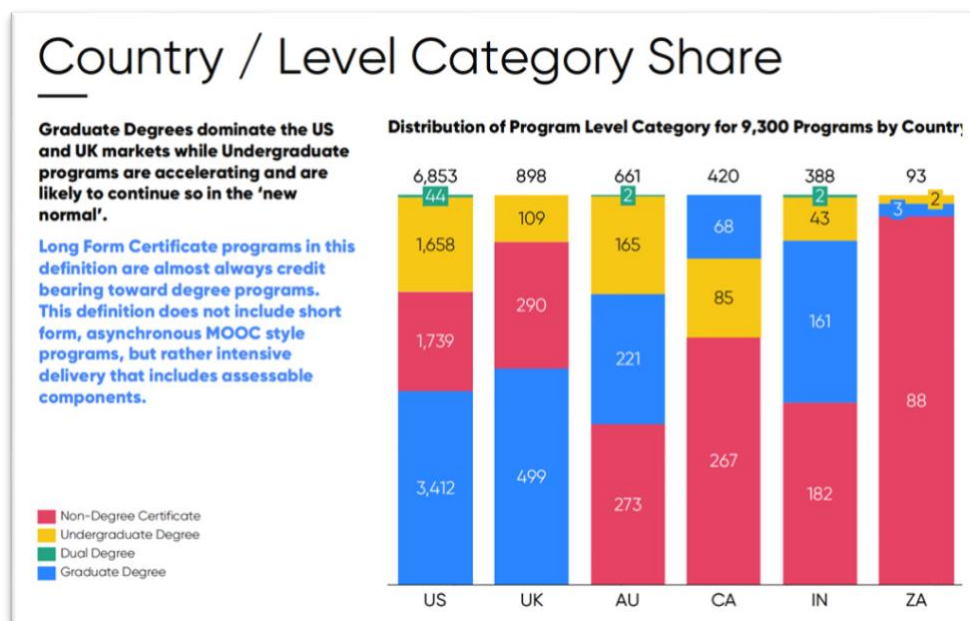
The need to rapidly switch to online delivery and the potential to reach a wider student cohort has seen increasing numbers of traditional providers reach out to Online Program Management providers.

Unsurprisingly, global education market intelligence platform, HolonIQ, tracked “massive growth in Academic Public-Private Partnerships (PPPs) in Higher Education” in the April- June 2020 quarter and they now identify more than 9,000 higher education programs worldwide underpinned by OPM partnerships.⁴²

HolonIQ defines Academic PPPs as those where “the private party is involved in academic delivery and, in many cases, academic outcomes of the program.”

At the end of June 2020 Australia saw these private OPM partners more highly involved in delivering ‘non-degree’ courses than was the pattern in other countries. It might reasonably be expected that now students and institutions are more comfortable with online delivery, that Australia will see a greater take-up of OPMs for degree-level offerings as another outcome of the pandemic.

Figure 1: Global OPM and academic public-private partnerships (2020)



Source: HolonIQ, July 2020, Subscription Customer Research Note: 1,000+ OPX Partnerships. 9,300+ OPX Programs

One of the noticeable shifts arising from the pandemic has been an acceleration in the uptake of Augmented Reality and Virtual Reality – allowing more sophisticated online offerings, enhancing the ‘reality’ of simulated learning in laboratories and representing the next generation of workplace training. For example, US virtual laboratory simulator, Labster, partnered with California’s Community College network at the outbreak of the pandemic to offer 2.1 million students access to more than 130 virtual laboratory simulations.⁴³

While the hands-on nature of much VET content may superficially rule out a wholesale shift to online delivery, the increasing sophistication and widespread availability of augmented and virtual reality will allow more VET delivery to occur online – in Australia as well as overseas. This will enable students to practice their skills development in areas as diverse as welding, cooking, and a range of other practical tasks at minimal cost and in their own time, before being tested in a real life environment.

That in turn means it is less likely that VET providers (and State/Territory governments when it involves TAFE) will invest in bricks and mortar facilities and instead are likely to invest more in online learning.

Why have your own commercial grade cooking facilities or engineering workshops if they are used infrequently for teaching (with virtual reality allowing students to practice at home and have their progress reviewed remotely)? Instead it is likely that over time providers and governments may increasingly invest in centres of excellence which can be shared across providers and used for introductory classes, periodic face-to-face learning, and crucially for challenge testing at the end of a unit of competency or qualification to ensure students can demonstrate the skills they have honed over time using VR/AR.

Student fees

What does this shift to online education mean for student fees? It seems inevitable that it will put downward pressure on fees, after all “why pay full price for glorified skype?”⁴⁴ While some experts have pointed out that the cost of good online delivery is not cheap when compared to traditional teaching models,⁴⁵ the reality is that the additional cost of scaling delivery is significantly cheaper in a fully online model backed by artificial intelligence, big data and cloud computing than in a face-to-face teaching model.⁴⁶

As Jeff Maggioncalda, CEO of Coursera, said at this year’s *EdTechX Europe Summit* “the future of higher education will include pressure on tuition fees because of two factors: online delivery and higher levels of unemployment”⁴⁷ meaning both learners and governments will have less money to spend on tuition.

Teaching and supporting students

One of the issues which remains relatively unexplored in the tertiary education sector is the opportunity more online delivery provides in term of ‘who’ teaches.

Looking at trends which were underway before the pandemic (and which have since accelerated) there are two changes which can be expected in terms of the Australian tertiary education workforce: (a) a greater use of international experts based overseas, and (b) more ‘agile’ institutions working closely with industry and EdTech entrepreneurs to partner in the delivery of new skills and knowledge.

The opportunities for higher education institutions in particular to recruit international experts to teach some of their courses is an obvious opportunity arising from the pandemic. Why rely solely on Australian-based educators for course delivery if there are global experts who can deliver, or at a minimum contribute to, your courses?

Professor Mike Smith, Carnegie Mellon University has argued that “the pandemic has forced the academy to adopt digital technologies that will make these resources abundant by letting students study whenever, wherever, and whatever they desire from faculty experts located around the globe.”⁴⁸

Non-traditional tertiary education providers such as Great Learning have built educational models which rely on working with global academic experts to design their courses and give guest lecturers – backed by local tutors delivering the remainder of the course.⁴⁹ Strong graduate employment outcomes and the chance to learn from leading international experts are the key drivers of Great Learning’s success.

With Australia’s higher education sector having already embedded a staffing model which comprises a decreasing number of senior tenured professionals and a much larger pool of casualised, sessional lecturers and tutors⁵⁰ the structures are already in place to ‘swap out’ Australian lecturers for global experts in fields

where Australia has less expertise in-country. Making this opportunity even more viable is the reality that in the future Australian universities are less likely to have the financial resources to attract global academic stars to move to Australia and teach and research in person.

As a consequence of both the applied nature of learning in VET, the requirements for VET trainers to be qualified to Australian standards (via the Training and Assessment qualification) and the crucial requirement that courses meet national Training Package specifications, there is less likelihood of using global experts to teach courses (although guest lectures are a real possibility particularly in fields such as commercial cookery).

In addition to the potential for an increased use of international education experts to teach tertiary education courses in Australia, there are a range of innovative partnerships emerging between EdTech providers and tertiary education providers which are changing what is taught and who teaches in our institutions.⁵¹ These include Trilogy Education's coding bootcamps offered in partnership with a number of the Group of Eight universities (Monash University, the University of Adelaide, the University of Sydney and the University of Western Australia). Other established OPM models where EdTech providers are assisting higher education and VET providers to innovate include 'MOOCs as OPMs': Coursera, FutureLearn, OpenLearning, GO1 and Udacity amongst others.

Student support

The global pandemic has also turbocharged EdTech partnerships enabling student and academic support to be offered virtually.

In the US, the online student support services provider Chegg raised US\$1 billion in convertible notes in August 2020.⁵² Here in Australia Studiosity has been expanding their academic support services to K-12 students and even libraries during the pandemic.⁵³ Peer-to-peer student support platform, Vygo, has also been reporting significant recent growth.⁵⁴

Once again students' increased familiarity with online support during the pandemic (and the provision of telehealth medical and counselling sessions) mean greater use of virtual student support is likely in the post-COVID tertiary education sector.

The 'external' threat: non-accredited and industry accredited offerings

The pandemic has triggered a significant shift in the delivery models of traditional providers. It has also seen coding bootcamps and business schools offering non-accredited courses reporting significant increases in internet traffic, inquiries and enrolments. Even after numbers started to subside after the early months of the pandemic, this level of interest and engagement with non-accredited education models has not returned to its original baseline. The non-accredited sector in the US reports that interest in both "free and paid credentials is holding steady at a rate that is significantly higher than what many were seeing last year -- suggesting the pandemic and subsequent economic downturn may have a lasting counter-cyclical impact on online enrolment."⁵⁵

This proliferation in industry-accredited and non-accredited short courses (particularly in the tech sector) poses a threat to parts of the formal tertiary education sector in Australia. Global brands with strong industry credentials offering industry-valued courses are attractive to prospective students where they have strong employment outcomes and are often much cheaper than the formal tertiary education alternative.

Microsoft is offering 25 million free short courses to help people around the world adapt to the post-COVID new normal.⁵⁶ Google has partnered with Coursera to offer short courses as alternatives to four-year undergraduate degrees in the US.⁵⁷ And technology firms including Salesforce, Verizon, Slack, Zoom, AWS and Tencent are all participating in education, skills and jobs initiatives⁵⁸ as countries and companies grapple with the immediate and longer-term impact of the virus.

These alternatives are free or cheap alternatives to some university degrees and some domestic VET fee-for-service activity. As such they are a challenge which the formal tertiary education sector needs to understand.⁵⁹

The Australian government's response has included the introduction of micro-credentials into the Australian Qualifications Framework and funding for both higher education and VET short courses as a partial response to COVID-19. In addition, in the VET sector, the government is piloting three new Skills Organisations to "enhance the role and leadership of industry and to test and trial ways to improve Australia's vocational education and training (VET) sector."⁶⁰

The pilot Digital Skills Organisation has declared its intention to innovate.⁶¹ Rather than trying to compete with the non-accredited/industry accredited short courses on offer through global tech giants and specific tech bootcamps eg 42 Silicon Valley⁶² – it is instead looking to invest government funds in these organisations to help them educate more people outside of the formal tertiary sector (with VET instead playing a certification-only role to confirm learners have gained the requisite skills).

The universities are not sitting idly by and watching where government money goes in the VET sector (accredited or non-accredited education models), nor are they simply relying on government funded short courses to respond to this threat. Instead some are working with industry (within Australia and globally) to meet the education needs of the tech sector.⁶³ RMIT University is partnering with the Singapore Institute of Management to offer digital courses tailored with industry partners including IBM, Amazon and Salesforce, while Swinburne University is partnering with digital services consultant Arq Group to deliver customised digital training to their staff.⁶⁴

The launch of the government's new National Priorities and Industry Linkage Fund (NPILF), which will allocate funding to universities to support enhanced engagement with industry is also intended to support innovation in the sector as it meets the needs of employers.⁶⁵

¹ <https://ministers.dese.gov.au/tehan/research-sustainability-working-group>

² <https://campusmorningmail.com.au/news/claire-fields-second-look-at-he-changes-theyre-still-huge/>

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