

PRODUCTIVITY COMMISSION PRIORITY REFORM PRIORITIES

REGIONAL UNIVERSITIES NETWORK

June 2025





ABOUT THE REGIONAL UNIVERSITIES NETWORK

The Regional Universities Network (RUN) welcomes the opportunity to contribute to the Productivity Commission's inquiry into Australia's productivity agenda, with a focus on Pillar 2: Building a more skilled and adaptable workforce and Pillar 3: Harnessing Data and Digital Technology.

RUN is a national collaborative group of seven regional Australian universities: Charles Sturt University, CQUniversity Australia, Federation University Australia, Southern Cross University, University of New England, University of Southern Queensland, and University of the Sunshine Coast.

This submission reflects the positions of RUN institutions, and in doing so, also aims to represent the views of the communities which RUN universities serve; the one-third of Australians who live outside of metropolitan centres in regional, rural, and remote locations.

For further information please contact RUN on 0408 482 736 or info@run.edu.au.

TABLE OF CONTENTS

Pillar 2	4
Overview.....	5
Improve school student outcomes with the best available tools and resources.....	6
What needs to be done to improve the use of edtech tools in schools?.....	6
Support the workforce through a flexible post-secondary education and training sector	7
Credit transfer and recognition of prior learning.....	7
Work-related training.....	9
Pillar 3	11
Overview.....	12
Enable AI's productivity potential.....	13
RUN's utilisation of AI.....	13
References	15

PILLAR 2

BUILDING A MORE SKILLED AND ADAPTABLE WORKFORCE



OVERVIEW

Australia's regions are a powerhouse of national economic activity. Today, regional economies account for over one-third of national economic output, more than one-third of Australia's total skilled workforce, and approximately two-thirds of sovereign export wealth¹. Australia's regions are also experiencing strong population growth, hosting more than 36 per cent of Australia's total population – a 6.3 per cent growth since 2019 – with more Australians currently relocating from capital cities to the regions than vice versa². Yet despite this historic economic impact and population growth, regional Australia exhibits significant and persistent inequities when compared to metropolitan Australia in terms of tertiary education outcomes and the development of high-skilled workforces. The Australian Universities Accord Final Report highlighted the fact that regional Australians are almost half as likely to obtain a university degree by age 35 than metropolitan Australians, with this disparity being characterised as 'long-term and stubborn'³. A similar disparity can be found within regional Australia's capacity to develop its research-trained workforces.

Highly skilled, adaptable, and innovative regional workforces are central to Australia's long-term productivity and ongoing prosperity. However, achieving this vision requires addressing persistent barriers that limit participation in learning and workforce development, especially for students from underrepresented backgrounds and/or regional communities. Some of these barriers are addressed in this submission, including the uneven nature of digital literacy and access to digital tools, inconsistent credit transfer and Recognised Prior Learning (RPL) systems, and diminished opportunities for work-integrated learning. Without a targeted policy response, these challenges will not only prevent many regional Australians from reaching their full potential, but will also constrain Australia's capacity to innovate, respond to workforce demands, and drive sustainable economic growth.

Building a workforce that is ready for the future means ensuring that all Australians

– regardless of background, location, or circumstance – can access the learning tools, pathways, facilities, opportunities, and support they need to develop specialised skill sets. Regional students play a critical role in this vision: nearly four in ten Australians live outside metropolitan areas, and ensuring their full participation in the economy is essential for national productivity.

This submission advocates for targeted responses to issues of digital inequity, improved and consistent credit transfer and RPL systems, and greater support for structured, paid work-based learning opportunities. These actions are essential to unlock the full potential of learners across the country and build a workforce that is skilled, adaptable, and ready to meet the challenges of the future. RUN's recommendations are framed with the national interest in mind: investing in these areas will strengthen Australia's productivity, competitiveness, and long-term economic prosperity.



IMPROVE SCHOOL STUDENT OUTCOMES WITH THE BEST AVAILABLE TOOLS AND RESOURCES

What needs to be done to improve the use of edtech tools in schools?

EdTech tools, including Generative AI (GenAI), hold immense potential to enrich student learning and empower Australian students to succeed in an increasingly digital economy. However, the rapid rise in the adoption of EdTech tools is accompanied by the potential to fuel the widening gap between digitally-literate and less-digitally literate workforces, groups, or entire communities.

When harnessed effectively, these technologies can create more dynamic, inclusive learning environments that prepare students to adapt, innovate, and contribute to Australia's future prosperity. Embedding the utilisation and mastery of EdTech tools in schools will have a compounding impact on the capabilities of Australians in both the short and long term. Ensuring all young Australians have the opportunities, resources, and skilled guidance to achieve contemporary digital literacy will be essential to capturing the full potential of these tools.

Achieving this vision depends on ensuring that all students have equitable access to opportunities and resources throughout their schooling. The Australian Digital Inclusion Index (ADII) reveals a 5.0-point gap in digital access, affordability, and ability between metropolitan (74.8) and regional areas (69.8)⁴. This gap becomes more distinct amongst First Nations Australians, which grows considerably in line with remoteness⁵. This digital divide represents a disadvantage in terms of regional workforce development, and also represents a disadvantage upon the individual. It limits an individual's ability to manage major aspects of their health, education, finances, and a basic engagement with civic duties and processes in an increasingly digital world. Considering the exponential rise of EdTech/AI as the new foundation of global economic systems, and given regional Australia's immense contribution to ongoing prosperity, the potential of a widening digital divide between metropolitan

and regional Australians represents an unacceptable sovereign risk. An effective policy response must therefore seek to accelerate the closure of this digital divide by enabling/supporting regional Australian students to access the same opportunities, facilities and resources as those enjoyed by metropolitan Australians.

Investing in digital equity between Australians is not just a matter of fairness; it is essential for building a strong, productive, and globally competitive economy. The Australian Universities Accord found that the skilled workforces required by the Australian economy in 2050 cannot be met without a parity of participation/attainment in post-schooling education between traditionally represented and underrepresented groups⁶. The same approach to Australia's digital preparedness into the future must also be taken. Australia's prosperity is not assured via a two-tiered workforce based on traditionally entrenched geographic, socio-economic or cultural disparities in opportunity and access to digital learning opportunities.

RUN acknowledges the need to ensure that the benefits of EdTech tools (including AI) are accessible across all student cohorts, regardless of geography or background. It is also important that students interacting with EdTech tools are supported in their foundational understandings of matters related to ethics and integrity of technology.

RUN RECOMMENDS

The development of a comprehensive and nationally consistent policy approach to school-based utilisation of EdTech tools, and underpinned by a system of resource allocation, that is designed to narrow the digital divide that currently exists between regional/metropolitan Australians and other underrepresented groups.

SUPPORT THE WORKFORCE THROUGH A FLEXIBLE POST-SECONDARY EDUCATION AND TRAINING SECTOR

Credit transfer and recognition of prior learning

RUN acknowledges that credit transfer and RPL processes are important matters of equity, as they play a critical role in ensuring fair access to educational opportunities. However, RUN also acknowledges that at a national level, the current system for credit and RPL remains insufficiently supportive for the student and needs improvement. Practices across the sector can be inconsistent and often involve complex procedures, which can be difficult for students to navigate. Furthermore, awareness of credit and RPL opportunities among students is generally low, with many students unaware of their existence or how to access them. Establishing a nationally consistent framework would enhance consistency and accessibility; however, such a framework must operate within a system that respects the autonomy and academic integrity of higher education providers as self-accrediting bodies.



Many higher education providers have made strong progress in improving their respective credit and RPL processes. Examples of these include investments in institution-specific credit calculators, improved application processes, and credit precedent record systems.

RUN acknowledges further work being undertaken at a sectoral level, such as the development of an Australian/New Zealand credit precedence database, data service, and applicant portal. This initiative seeks to help students understand the credit available to them across all institutions, while also providing an accessible and consistent interface for exploring, reviewing and evaluating potential RPL. However, despite recent and ongoing improvements in terms of how credit transfers and RPL are managed, there remains significant variance across the sector. These inconsistencies can become onerous for students, particularly for those seeking to move between institutions or between sectors. One significant barrier for students navigating the credit transfer and RPL system is the requirement to provide sufficient/extensive supporting documentation, including course outlines, to enable assessments of equivalency. The lack of seamless portability of prior learning across the sector, particularly between Vocational Education and Training (VET) and Higher Education (HE) remains a key gap.

A central sector solution that supported authenticated records of prior learning, with sufficient detail of volume of learning/learning outcomes could ease this burden. The response would reduce the onus on students to collect some of the required supporting documentation, and create efficiencies for both students and institutions.

SUPPORT THE WORKFORCE THROUGH A FLEXIBLE POST-SECONDARY EDUCATION AND TRAINING SECTOR

The Australian Universities Accord noted the increasing importance of collaboration between universities and industry, as well as between universities and the VET sector. RUN supports a greater harmonisation of Australia's VET and HE sectors, recognising that enhanced collaboration can help strengthen pathways, improve skills recognition, and ensure that students gain the knowledge and experience they need to contribute to a productive economy. However, this ambition must also respect university autonomy. Universities must retain the ability to determine their mission, course offerings, student mix, admission criteria, and research priorities. These elements are fundamental to the integrity and diversity of Australia's higher education system, and to ensuring that universities can respond to both local community needs (via their distinct respective social missions) and national economic priorities.

The Jobs and Skills Australia Tertiary Harmonisation Roadmap offers a useful framework for supporting this balance, pointing to national tools such as a credit transfer system, the National Skills Taxonomy, and shared frameworks that can support alignment. These system-level improvements, if designed and implemented effectively, can help students navigate the sector more effectively, reduce unnecessary duplication, and better match skills to workforce needs. However, these changes should not lead to a system where universities are required to recognise all prior learning automatically. The decision to grant credit must remain with autonomous, self-accrediting institutions, informed by academic standards, industry input, and research-informed teaching.



SUPPORT THE WORKFORCE THROUGH A FLEXIBLE POST-SECONDARY EDUCATION AND TRAINING SECTOR

Work-related training

Work-related training is a key component of a flexible and responsive education system, and RUN universities embed authentic work-integrated-learning opportunities across a wide range of disciplines. However, there are several factors that may limit the uptake, availability and impact of work-integrated learning opportunities. Many of these factors are linked to regionality and are outlined below.

Compared to a typical metropolitan university student, a regional university student is considerably more likely to be older/mature age, already in the fulltime workforce, studying part-time and online, and is more likely to have parental/caregiver responsibilities. Regional university students are also more likely to come from an underrepresented background. Indeed, while the seven RUN universities enrol just 12 per cent of all domestic students in Australia, they collectively enrol approximately one-quarter of all students from a low SES background, one quarter of all Indigenous students, and one-third of students from Regional, Rural or Remote backgrounds.

RUN universities also collectively enrol a proportionately higher rate of students living with disability. Such factors can have tremendous bearing upon a student's personal circumstance. As such, many regional students face distinct challenges in utilising work-integrated-training opportunities, including limited time due to fulltime work obligations or caring responsibilities, financial constraints, and geography/remoteness. These barriers can disproportionately impact students experiencing multiple and intersecting forms of disadvantage.

RUN welcomes the introduction of a system of Commonwealth Practicum Payments (CPP) as a means to suppress the impact of at least some of the aforementioned factors. However, RUN cautions against the CPP system being viewed as a comprehensive solution to the many complex barriers faced by regional and/or underrepresented students in their successful completion of compulsory practicum requirements.



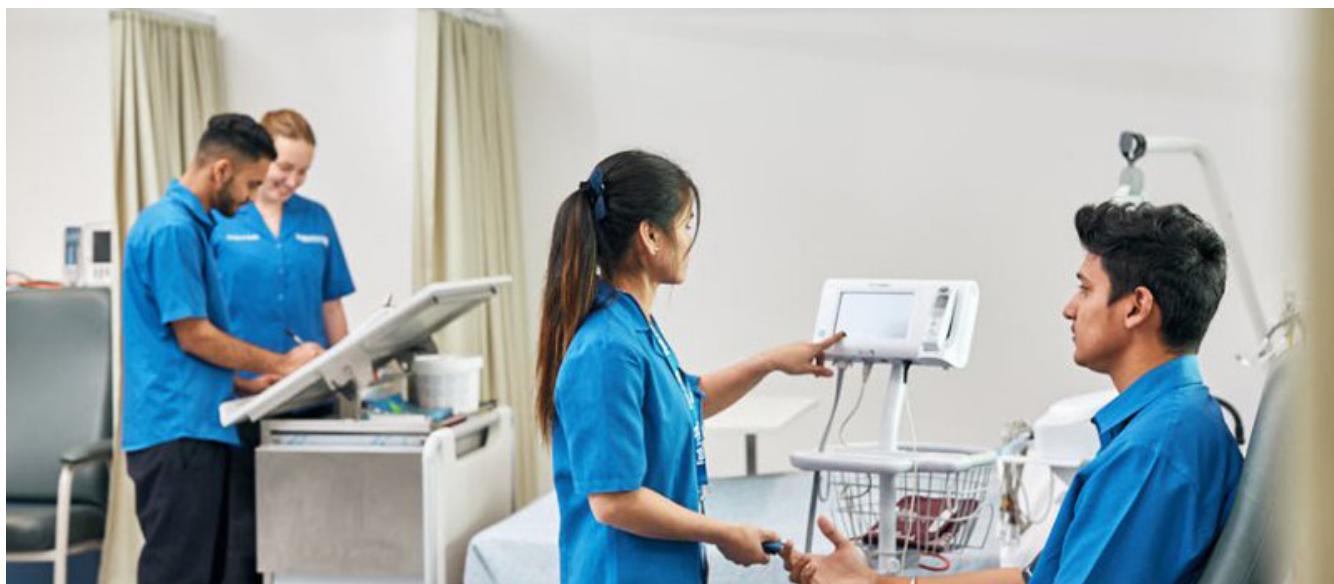
SUPPORT THE WORKFORCE THROUGH A FLEXIBLE POST-SECONDARY EDUCATION AND TRAINING SECTOR

Another factor impacting upon the uptake and impact of work-integrated learning opportunities for university students is the relative scarcity of placement opportunities in regional areas. Unlike metropolitan students, the students at regional universities typically do not reside within the densely populated urban centres surrounding their chosen campus. Domestic RUN students are highly dispersed across large geographic areas, with the majority (over 60 per cent in 2023) studying online⁷. This creates tremendous complexity for regional universities in creating work-integrated-learning opportunities for a highly dispersed student cohort who live/study in areas with a scarcity of placement industries/employers/opportunities. With higher proportions of RUN students studying courses that involve embedded industry placements. Almost half of all domestic RUN students were studying to be teachers or healthcare workers in 2023⁸, and with RUN universities lacking the economies of scale enjoyed by urban universities operating in dense population centres, it remains an ongoing challenge for regional universities to find and resource a constant supply of appropriate industry placement opportunities for a highly dispersed student body.

CASE STUDY: FEDERATION UNIVERSITY CO-OPERATIVE MODEL

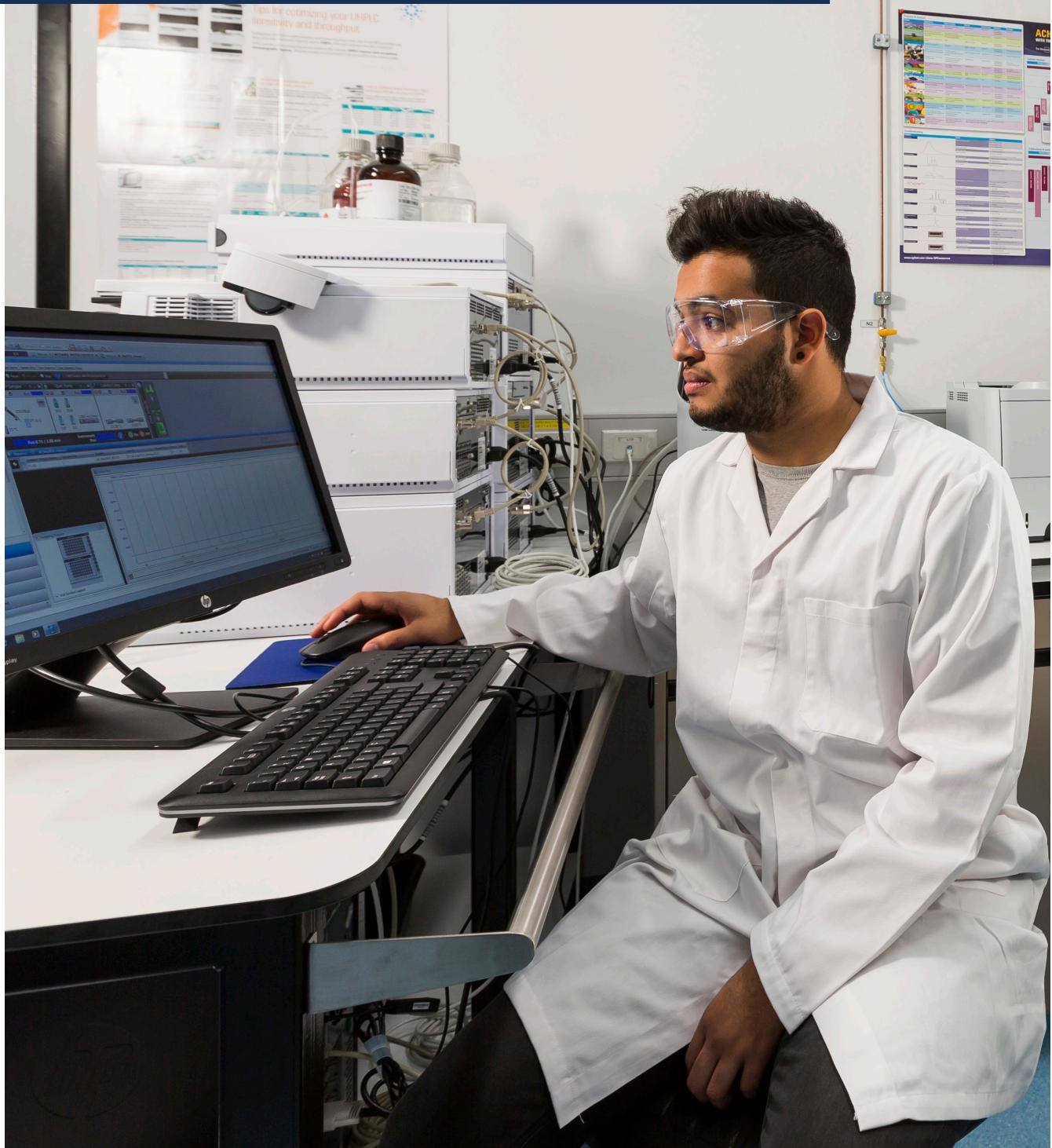
As Australia's first co-operative university, Federation has embedded a minimum of 60 days of paid, credit-bearing placements into all undergraduate and TAFE programs. These placements are co-designed with industry partners and offer flexible delivery options, including full-time, part-time, or block formats, to accommodate students' diverse needs and commitments. By integrating paid placements into the curriculum, students can earn income while gaining practical experience, reducing the financial strain that often limits participation in traditional unpaid internships.

Federation's commitment to co-operative education aligns with national efforts to create a more integrated and responsive tertiary education system. By fostering partnerships between education providers and industry, and by prioritising student support and flexibility, the co-op model addresses skill shortages and promotes regional economic development.



PILLAR 3

HARNESSING DATA AND DIGITAL TECHNOLOGY



OVERVIEW

Harnessing the potential of Artificial Intelligence (AI) and emerging digital technologies is essential to building a more productive, innovative and resilient Australia. In the education sector, AI tools can support educators and students to improve teaching quality, reduce administrative burdens and foster a more personalised, engaging learning experience. AI also plays a key role in building the digital capabilities students need to thrive in an evolving economy where digital literacy will be essential.

However, RUN acknowledges that the productivity potential of AI is not evenly distributed across Australia. The Australian Digital Inclusion Index (ADII) reveals a 5.0-point gap in digital access, affordability, and ability between metropolitan (74.8) and regional areas (69.8)⁹. This gap becomes more distinct amongst First Nations Australians, which grows considerably in line with remoteness¹⁰. This digital divide not only represents a disadvantage in terms of regional workforce development and productivity, but it also represents a disadvantage upon the individual, and their ability to manage major aspects of

their health, education, finances and a basic engagement with civic duties and processes in an increasingly digital world. Given the exponential rise of AI as the new foundation of global socio-economic systems, and regional Australia's immense contribution to Australia's current and continued prosperity, the potential of a widening digital divide between metropolitan and regional Australians represents an unacceptable sovereign risk. An effective policy response must therefore seek to accelerate the closure of this digital divide by enabling/supporting regional Australians, particularly students, to access the same opportunities, facilities and resources as those enjoyed by metropolitan Australians.

RUN universities are therefore engaging with AI at different stages of maturity at both institutional and course-levels, from early pilots to broader implementation across business systems, academic delivery and research. The utilisation of AI amongst regional universities along with the challenges, opportunities and concerns linked to this utilisation – is discussed in this submission.



ENABLE AI'S PRODUCTIVITY POTENTIAL

RUN's utilisation of AI

AI is rapidly transforming the way we learn, work and connect, offering new opportunities to improve productivity and outcomes across sectors. From streamlining business operations to enhancing research and teaching, AI tools are reshaping productivity for universities and beyond. In the context of education, AI can assist with personalised learning, reduce administrative workloads, improve access

to information, speed up menial aspects of research process, and help educators focus on high value work that directly benefits students and research.

RUN universities are at varying stages of adopting and integrating AI technologies across both business operations and academic contexts.



CASE STUDY: UNIVERSITY OF THE SUNSHINE COAST (UNISC)

UNSC is in the early stages of implementing AI infrastructure. AI at UniSC is primarily used to improve productivity, streamline communication, and support service delivery, with tools such as:

- Sunny, an AI-powered chatbot that provides automated responses using data from MS knowledge articles, UniSC's intranet, website, ServiceNow, and other internal systems;
- Productivity tools including Microsoft Teams Premium, Copilot 365, GitHub Copilot, Nexthink Assist, Cogniti, and CourseMagic, which support staff across workflows, communication management, and the development of learning resources.

UniSC is also working to embed AI responsibly, with an AI Leadership Group and a Responsible Artificial Intelligence Advisory Group overseeing draft principles for ethical AI use, alongside an AI Strategy, Adoption Roadmap, Action Plan, Governance Model, and Operational Model.

ENABLE AI'S PRODUCTIVITY POTENTIAL

Across RUN universities more broadly, AI tools are predominantly used to:

- Enhance staff productivity, including task management, communications, and individual workflow automation.
- Support business systems by improving service delivery, workflow creation, and system searches.
- Pilot AI applications in course design and educational delivery.

While AI adoption is still evolving, the potential benefits are clear. AI can improve efficiency and effectiveness by automating time-consuming administrative tasks, allowing staff to focus on teaching, student support and research. AI integration can also reduce operational overheads, driving cost savings and increasing institutional responsiveness. This is particularly beneficial to those smaller and/or regional universities who operate in unscaled environments. Importantly, AI-driven tools offer opportunities to personalise learning, improve teaching quality, and equip students with the skills they need for the future workforce.



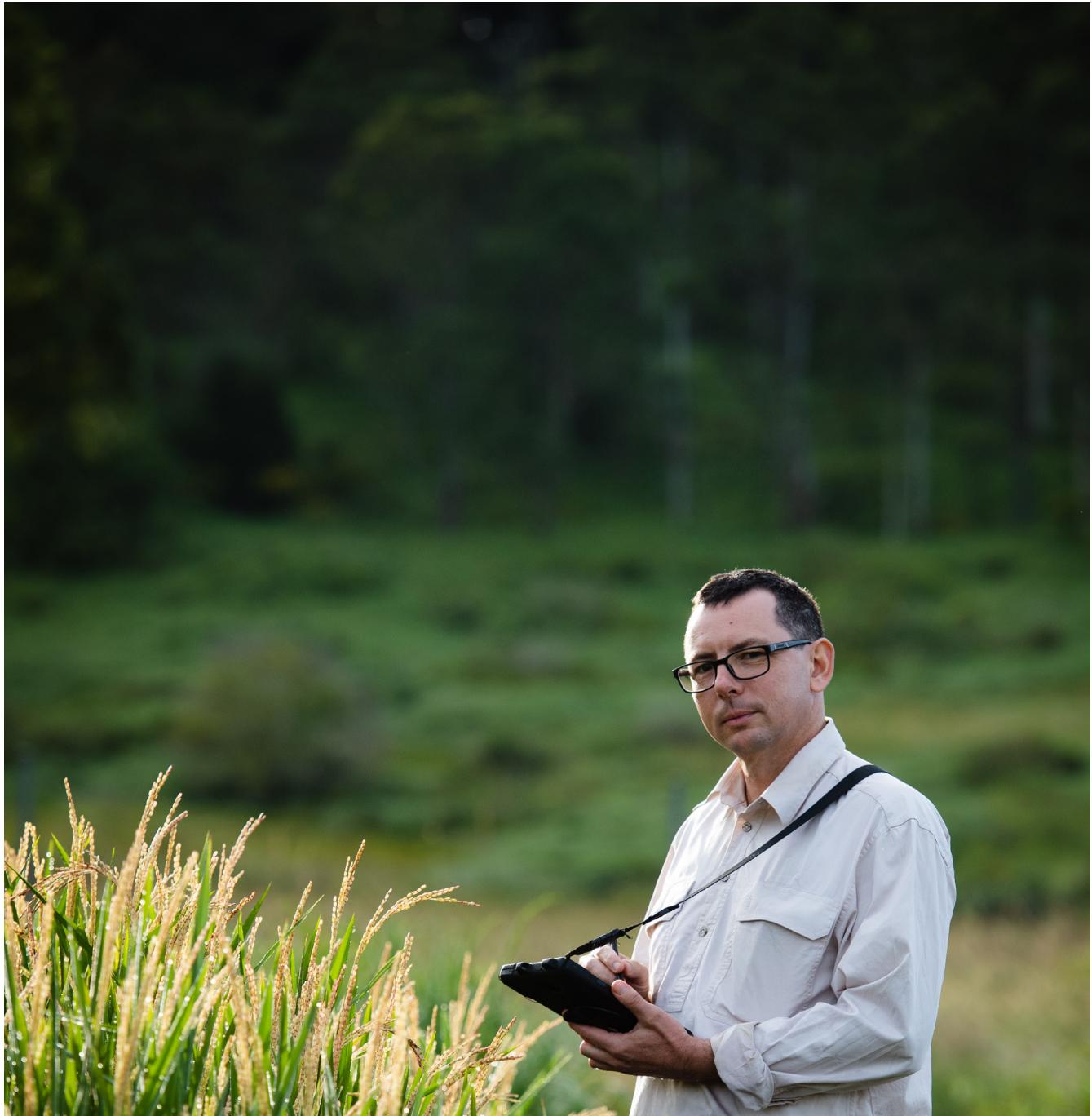
However, while the potential of AI is vast, realising these benefits require a clear understanding of the associated risks and a coordinated, sector-wide approach to managing them. Without oversight, the same tools that promise efficiency and innovation also risk creating new barriers for students and educators.

RUN has identified several key challenges that must be addressed to ensure the safe, equitable, and effective use of AI in education. These include ethical concerns around bias in AI outputs and the risk of AI systems generating false or misleading information, as well as the danger that unequal access to AI tools could exacerbate existing educational inequalities. Data privacy, security, and integrity remain critical issues, especially regarding how information entered AI systems is stored, used, and protected. Further, the rapid pace of AI development means that universities must also continually update their infrastructure, processes, technical abilities, and governance frameworks to keep up with evolving technologies. Alongside this, there is a cultural dimension to AI adoption: staff and students need support, training, and opportunities to build the confidence and skills required to engage effectively with AI tools.

Many institutions also face significant challenges due to the absence of a national register of approved 'low-risk' AI tools. However, RUN supports the work being done by the Tertiary Education Quality and Standards Agency in providing high-quality, sector-wide guidance of AI best-practice in educational contexts. RUN also supports the non-prescriptive nature of TEQSA's guidance, as it allows institutions to retain their autonomy in decision-making as to best align to their distinct social missions and their respective student cohorts.

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