



Universities Accord

Submission to the Consultation on the Accord

Terms of Reference

December 2022

Introductory Statement

The University of Melbourne welcomes the invitation from the Chair of the Universities Accord panel to suggest priority areas for consideration by the Panel.

We believe the Accord discussion needs to start with a shared understanding of the purposes of higher education and of universities. Universities have existed to serve society for millennia. As civic institutions engaged in education, research and the generation and transmission of knowledge and ideas, they contribute to social and economic prosperity in myriad ways. At their best, they are enablers of opportunity, innovation, and societal resilience, inspiring the imagination and tackling global problems at an international, national, regional, and local level. They are also transformative in their impact on individual lives, including those of their graduates, preparing us for the unknown through the development of deep and broad knowledge coupled with analytical skills and respect for evidence. University education and research nurtures the ability to frame the big questions humanity will face, encouraging us all to explore what it means to be human.

This is a once-in-a-generation opportunity to determine how we ensure Australia's higher education institutions can best serve the national interest, now and into the future. Bold and ambitious thinking is required.

During this review, there will doubtless be much discussion of the risks and issues confronting the system currently. While these must of course be considered and addressed, we would nonetheless encourage the Panel to keep focused on the future. How can Australia's universities most strongly contribute to society now and, more importantly, over coming decades; and how do we set them up for success? How do we design the higher education system to run more efficiently and effectively, with a strengthened focus on the needs and aspirations of students, staff and stakeholders? How might the various parts of the post-secondary education system work more seamlessly together, driven by student need? How might regulatory and policy settings be crafted with more nuance to reflect diverse missions?

Realising a strong future state will require universities to build on their strengths and find new ways of doing teaching and research and engaging with industry and community stakeholders to deliver societal benefit. Identifying those regulatory, policy and funding settings which can support sustainability, responsiveness and innovation will be an important focus for the review panel.

Key areas for focus

1. Meeting Australia's knowledge and skills needs, now and in the future

- We recommend that the Panel focus on strengthening the important and distinctive role universities play in educating for the professions and in identifying and addressing future workforce trends and skills needs in the context of a broader postsecondary education system. Universities develop graduates with a range of specific skills but more importantly with the capacity to learn, think critically, question deeply, collaborate, adapt and grow. These are attributes that employers value and which will help Australians adapt to novel challenges, including those posed by the changing nature of work. Therefore, universities have *a distinct and valuable role* in an integrated post-secondary education system that is developing skills and delivering qualifications from apprenticeship through to postdoctoral level.
- It will be important for the Panel to focus on how we might strengthen the coherence and effectiveness of that postsecondary education system and relationships within it. The former National Skills Commission estimated that more than nine out of ten jobs created in the next five years will require tertiary qualifications. A single qualification will not be enough – we will need to consider how students can build upon their skills and knowledge throughout a lifetime. Therefore, the more collaborative, integrated and flexible that postsecondary education system is, the better for students in terms of quality and ease of navigation. This will require a review of funding, accreditation and regulatory arrangements across sectors and jurisdictions, and consideration of mechanisms to support collaboration and complementarity between institutions.
- The Australian Government is understandably focused on how the higher education system can contribute to workforce participation and productivity, and increase opportunity for people to enter and move through the workforce. In this regard, we recommend the Panel look beyond undergraduate education and the bachelor's degree and consider how the broad range of qualifications and pathways offered through the higher education

system can be leveraged. Currently, Government focuses on undergraduate education in assessing the quality and relevance of student outcomes in relation to measures of success. Sub-degree programs, including microcredentials, and postgraduate education, all support knowledge and skills development and equality of opportunity, particularly for the 54% of university entrants who are not school leavers. In considering measures of success for the sector, we recommend the Panel take account of the opportunities and outcomes delivered through these programs.

- We recommend the panel consider whether the higher education system is sufficiently diverse in terms of offerings and institutional types and mission to support the needs of a range of learners from different backgrounds. We recommend the Panel consider how funding and regulatory settings might support such diversity, aligned with societal and student needs.

2. Access and opportunity

- While the absolute number of students from disadvantaged backgrounds grew overall through the demand driven system, their representation as a proportion of enrolments did not increase substantially. Disadvantage begins much earlier than the age of university entry and is linked to aspiration and educational disadvantage, as well as to material circumstances. Creating places and reforming admission processes, important as those are, will not be enough.
- Therefore, we recommend the Panel focus on how potential students from disadvantaged cohorts currently access higher education, and the ways in which policy settings and interventions at different points in the education system and across the entire learning continuum can support or inhibit equality of opportunity in higher education.
- The circumstances in which students live and learn, including access to and reliance on paid work to support study, must also be an area of focus, along with the adequacy of income support. Financial hardship whilst studying may present a greater deterrent to successful study than student fees which may be deferred through loans.
- No single institution or institutional type holds all the answers, and we need to explore opportunities and incentives for great outcomes to be delivered by a range of different institutions working together to optimise admission and success for students from disadvantaged backgrounds.
- Setting meaningful goals and devising appropriate measures of success will be important in achieving our objectives in relation to access and opportunity. We suggest consideration of measures of success that focus not only on access to higher education, but go to retention, completion and success, and the encouragement of lifelong learning.

3. Investment and affordability

- It will be important for the Review to develop robust and sustainable principles to guide investment in teaching and research, based on what we want the system to deliver.
- From a student perspective, for example, we need a funding system that is transparent, simple, fair and which does not pose a financial deterrent at the point of access. The funding of teaching and the setting of student contributions should also be predictable, and not subject to change year on year; to support continuity and efficiency in planning.
- An important focus for the Panel will be recognising the shortfalls of the Job Ready Graduates Programme (JRG) funding regime and proposing an alternative approach to funding. We must improve our understanding of the cost of teaching and recognise the perverse impacts created by the JRG. For example, lowering student contributions in areas deemed to be high priority and increasing them in others has had little impact on student choice, but the changes to Commonwealth Grant Scheme and student contribution levels have reduced funding per student in high priority areas such as Science.
- The fragmentation of programmes and reporting within the JRG also demands attention. In future, the sector would benefit from multiyear funding agreements with a more robust and simplified performance reporting framework that enables the transparent publication of outcomes and evaluates impact over time.
- In considering future investment, the Panel must also consider what growth in the sector will be needed in coming years. System growth is currently static, with piecemeal measures delivering more student places into the

sector on an occasional basis. We suggest the panel consider a longer-term strategic approach to growth in the sector, taking account of local and international demographic trends and national needs, which enables institutions to plan effectively.

- Investment in teaching should not be considered in isolation from investment in research. The Panel should consider how we can mitigate the current gap in full cost research funding. As noted below, we need to build an approach to sustainable long-term investment to ensure that the full cost of university research can be met and that universities do not become victims of their own success: that is, that success in attracting research project funding does not further add to the financial challenges faced by Universities in meeting the real costs of teaching and capital investment.

4. Governance, accountability and community

- While governance requirements for universities are set predominantly on a state basis, we believe this is a worthy area of Panel focus. The panel might consider, for example, whether university governing bodies are sufficiently transparent and accountable to their communities and whether the current composition and appointment mechanisms for governing bodies are appropriate for a sector of this scale and importance.
- More broadly, we recommend the panel note the diversity inherent in universities' engagement in their communities, and particularly the benefits delivered through successful partnerships and collaborations. This will be important in ensuring partnerships are recognised and supported through funding and policy settings.
- Universities are also accountable to their staff. Sustainable workforce planning in higher education which contributes to a robust and high performing academic workforce is important. Excessive use of casualisation, and the devolution of responsibility for managing casual employment within institutions with consequent impacts for staff, is unacceptable. This problem has developed over time, and in part reflects financial drivers, linked to rapid growth in student numbers, which means there is no quick fix. Given that university workforce needs will vary significantly, as will finances, across institutions, it is also the case that a 'one size fits all' model or a heavy regulatory hand is unlikely to deliver the best outcomes, now or in the future.
- We recommend the Panel consider the approaches being taken across the sector to this challenge and encourage a purposeful and rigorous approach to workforce planning including ways to reduce casualisation and support meaningful career progression. This is an area where higher education institutions need to demonstrate greater accountability, and transparency in reporting progress and outcomes might be a useful area for focus.

5. The connection between the vocational education and training and higher education systems

- Higher education needs to be considered as part of a holistic single post-secondary system that not only develops skills and knowledge, but educates students more broadly, preparing them to adapt to unknown challenges they will face over their careers. Therefore, a priority for the review might be funding mechanisms and policy settings to encourage a variety of efficient pathways and partnerships between the sectors that demonstrably meet student needs over a lifetime.
- The Panel might also usefully focus on current examples of, and new proposals for, innovative cross-sectoral delivery of education and training in priority sectors and how they might be scaled and adapted across the postsecondary education system, including through enhanced industry engagement.

6. Quality and sustainability

- Ensuring quality and sustainability require a deep understanding of the funding and operating models of higher education, not a unilateral focus on Government funding. This will be particularly important in setting Australian universities up for success in a global operating environment defined by competition, student and staff mobility and opportunities for collaboration across national borders.
- In thinking about quality and sustainability, we recommend the Panel focus on three key areas: quality of student experience and educational outcomes; quality of research; and, the adequacy of supporting systems and infrastructure.

- We suggest that the Panel focus on how funding and regulatory settings support innovation and strong educational outcomes, including how flexible models of higher education accreditation (e.g., study with dual institutions in international partnership) should be accommodated in the regulatory framework to support strong outcomes for students and more diversity in delivery models.
- The quality of research is crucial to the ongoing success of the Australian higher education system, contributing to educational outcomes as well as generating new knowledge that can tackle the significant global challenges we face. Research quality supports Australia's global reputation and partnerships. We make a disproportionate contribution, producing 2.7% of the world's scientific output despite comprising 0.34% of the world's population. Approximately 85% of Australian research is rated at or above world standard. Therefore, how we ensure the ongoing quality and sustainability of research must be a priority for the Panel. We recommend that mechanisms for funding research directly and indirectly (including such schemes as the \$3b R&D tax concession) be an area of priority consideration.
- Academic freedom is also integral to the quality of our higher education system and is challenged by a range of new forces. Support for academic freedom and lawful freedom of expression must be foundational to this review and the Accord process.
- Higher education is a global enterprise, and the success of the Australian sector rests in part on our capacity to recruit international students from a range of countries, and recruit and host the best academics from around the world. A whole-of-government approach is needed to ensure that efforts to increase student demand (particularly in underrepresented countries) and facilitate staff mobility are supported by the Australian government in-country and not stymied by inflexible visa arrangements or outdated regulatory settings.

7. *Delivering new knowledge, innovation, and capability*

- Developing new knowledge, innovation and capability is central to the intellectual, social, and economic purpose of universities. Therefore, we recommend that the Panel keep support for these priorities in mind through its deliberations in relation to *all* terms of reference.
- Universities are key to a healthy innovation ecosystem, and the Panel should consider international examples where their role is supported and optimised in this regard, and how Australia might adapt these learnings.

