



University Chancellors Council Submission

Australian Universities Accord Panel Consultation on the Review Terms of Reference.

December 2022

1. Introduction

Thank you for the invitation to submit to the Australian Universities Accord Panel Consultation on the Review Terms of Reference. This submission focusses on the priorities for the Australian higher education system identified by the University Chancellors Council and expands on our discussion with the Review Panel held on Friday 2 December in Melbourne.

The Australian higher education sector is recognised as a world leader in the delivery of high-quality education and research. This review process provides an opportunity to adjust elements of the sector to continue to improve this world standing and provide exceptional educational and research opportunities for all Australian and international students.

The UCC looks forward to continuing to work with the panel in further consultations as the review process continues.

2. The University Chancellors Council

Established in 2004, the UCC comprises Chancellors of all universities in Australia that have been established under their own Acts of Parliament. The role of the University Chancellors Council is to represent and advocate on behalf of the sector, providing the perspective of Chancellors and the Councils/Senates of universities, specifically in relation to their role in university:

- corporate governance
- strategy setting and total university performance assessment
- financial sustainability and
- executive appointments and performance.

3. Cooperative Federalism and the Legislative Framework

The Universities Chancellors Council (UCC) wishes to emphasise the significance of Australia's federal structure in relation to the development of national higher education policy. The concern of the Review is national policy and national policy is driven by the Commonwealth. There is, however, a need for the application of cooperative federalism to ensure that funding and regulatory policy in relation to both teaching and research is comprehensive and coherent.

The Commonwealth has no express constitutional responsibility for education. It entered into the field in the 1940s and accelerated its involvement following the Murray Report in 1957. It now relies upon a number of different heads of constitutional power. Universities owe their existence to State Acts (for the most part) and are subject to an array of State laws and regulations which may have consequences for national policy.

The UCC is of the view that whatever the outcome of the present review, it should encompass a mechanism or optional mechanisms for involving the States and Territories in order to achieve a comprehensive all of governments' approach and to avoid inefficiencies arising from differences in the legal frameworks within the sector across Australia. The States and Territories also have an important role to play in respect of collaborative research and translational application and interactions with local commerce and industry. Following the dismantling of COAG and associated ministerial councils, there is an opportunity for the development of a mechanism for the application of cooperative federalism in a way that will maximise the benefits to be derived from a whole of governments' involvement.

4. Cooperative Federalism and University Governance

Areas where cooperative federalism could overcome inefficiencies imposed on university governing bodies include land dealings, borrowings and investment, and appointments to Council/Senates.

- 4.1. Land dealings:** the powers of universities to acquire and dispose of land varies across jurisdictions and can be significantly streamlined without derogating from the public purpose of universities. NSW enacted important reforms in 2017 in the Universities Legislation Amendment (Planning Agreements) Act, which should be extended to support asset recycling and the provision of student housing to enhance Australia's attractiveness as a study destination.
- 4.2. Borrowings and investment:** University Acts place various restrictions on borrowing and are generally silent on investment powers. A less restrictive and more consistent approach would benefit each university and the sector as a whole. For example, universities could pool their investment funds to be an influential, socially aware investor making returns for the sector.
- 4.3. Appointments to Councils/Senates:** The powers of Councils/Senates to appoint their members is bedevilled by various anachronism and idiosyncrasies across jurisdictions. South Australian and New South Wales governments have made important moves to respectively eliminate and reduce State Government involvement in Council appointments, while not diminishing university-government interaction. These initiatives should be extended into a national reform whereby State Governments pull back from direct appointments but develop deep multi-faceted partnerships with their universities.

5. Opportunities

5.1. Development of National Priorities

Universities and Government need to work more collaboratively to affect change to the system to produce solutions to the world's most critical issues. The complex nature of today's problems requires collaboration across disciplines: STEM professionals to deliver the content, HASS professionals to deliver the method of change and social acceptance of the new content and the coordinated development of a workforce equipped to implement solutions. This partnership approach will require overarching support across the sector, integrating all aspects of higher

education (teaching and learning, research and development and translation) in a coordinated fashion.

There are a number of critical issues that are of national importance that will require multidisciplinary approaches to find solutions. The clear articulation of these national priorities by Government and the appropriate resourcing to support their ongoing investigation is necessary to enable the sector to move forward with collective intent.

The establishment of the national priorities will enable the development of strong partnerships between State and Federal Governments, government departments, universities, research institutes, industry and the community to find creative solutions for the future of all Australians.

These priorities should include:

- Health
- Defence
- Climate change
- Cyber security
- Skills for now and for the future
- Productivity improvement

How might this work? If we look at the priorities above, there are universities who have the intellectual capability and capacity to address these national issues. Universities are good at solving problems. Policy advice should be sought from the best positioned university to provide it. The key concept here is let's use the intellect that we have in universities to address the hard issues. A mechanism needs to be designed to ensure this occurs.

5.2. Funding model review

The review provides the opportunity to reconsider the funding of the higher education sector. Recent changes to the funding model, including the Jobs Ready Graduate Scheme, have been piecemeal, opportunistic and short term focussed. Now is the time to look at what universities provide to the community, what value that holds and how this is best funded.

It has long been established that the sector cross-subsidises from teaching to critical research and development, a process which is unsustainable in the long term. It is also well established that there is a reliance on international students to fund many elements of university operations, particularly research. This is a flawed mechanism in the long term as witnessed during the pandemic where a high risk to the financial sustainability to most universities occurred where international students could not come to Australia. This has a multi-year impact.

The balance between income earned from domestic and international students and commercial opportunities and the cost to deliver the research and education goals set by universities requires careful consideration. The underlying financial sustainability of the sector as a whole needs to be considered and managed as part of the review process and structures put in place to provide adequate support for growth.

The ability for Australians to obtain higher education should not be constrained by background or location. There needs to be changes to the funding model that promotes access for low socio-economic and first nations people. In addition, funding should be adapted to meet the needs of individual universities, specifically in relation to their geographic location, strategic goals and focus. For example, the funding of regional and metro universities needs to be separately considered.

5.3. Recognition of contribution the of universities in communities, nationally and internationally

Universities provide value to the community economically, socially and culturally. Their role in driving innovative thinking and creativity is pivotal to a diverse, engaged and informed population. There is a great opportunity for universities to improve their connection to the community through sharing of knowledge, collaboration with industry and business and finding solutions to critical problems.

Universities also make a significant impact internationally through education and research. The role of international students in 'soft diplomacy' in promoting Australia as a source of knowledge and economic solutions across the world cannot be underestimated and should be recognised and embraced.

5.4. Positive diversity and competition in the sector

Each of Australia's 39 publicly funded universities has its own identity. They are different based on geography, student enrolment, research focus and reach to reflect the needs of the communities that they serve. This diversity needs to be celebrated, as it provides institutions that provide opportunity for everyone and positive outcomes and solutions to those communities and nationally.

Despite the diversity throughout the sector, universities are also founded on the spirit of collaboration, both for teaching and research. With universities working collaboratively with business, industry, vocational education (VET) providers and the community, they are building a tertiary sector that is responsive and enabling for innovative thinking to generate solutions for critical problems facing the government today, such as skills shortages and tackling climate change.

As much as universities are collaborative, there is also a healthy level of competition in the sector, which drives researchers, academics and administrators to achieve great outcomes.

By acknowledging and supporting both the diversity and the competition between universities, we are enabling creativity and collaboration to help the sector flourish.

There is an opportunity to enhance and align the partnerships between VET providers and the university sector that will serve to strengthen pathways to education for all Australians. Some universities are dual sector and others have good connections with VET providers, but there are inconsistencies that need to be addressed.

5.5. Research and Development

University research is a critical part of the Australian economy, driving innovation and discovery, influencing national and international reputations, providing opportunities for business development and commercialisation and encouraging enrolments. It needs to be said that funding

for Australian research is inadequate, both in terms of national aspiration and investment when compared to many developed and developing nations.

As a nation we greatly value innovation and entrepreneurialism, two key tenets of research and development. Funding is currently directed more at the foundational aspect of research and not enough support is provided for the development and translational aspects. If we want to make the most of the primary research we conduct, we need to address this funding disparity urgently and dedicate more to development. Too much of our intellectual property ends up overseas due to lack of funding in the development stage.

There are multiple sources of funding currently used for research and development, both public and private, provided as grants (ARC, NHMRC), to organisations directly (CSIRO, hospitals) and to federal government departments such as health and defence. There is the opportunity to use the currently available funding in a different way to find the solutions to problems that are of national importance. To do this, it is imperative that funding is provided to the institution or body who are best equipped with expertise, resources and knowledge to address the problem that needs to be addressed rather than allocating funds based on size, location or reputation. We need an approach to research funding that has strong collaboration between government, universities, research institutes and industry. We must aim to retain intellectual property in Australia.

6. Challenges

As a sector made up of individual organisations with different operational structures, strategic directions and financial constraints, it is important that universities are able to respond appropriately to internal and external pressures that are relevant to their situation. There is a great risk in imposing inflexible arrangements (regulation, legislation) across the sector that may serve to benefit a few, but disadvantage others.

The recent changes to legislation and the introduction for the potential of multi-employer bargaining may have detrimental effect on universities who choose to use their workforce differently to the traditional structures of university teaching. The implementation of trimester teaching, for example, enables a university to better utilise its physical assets, but this requires a more casual workforce to support it professionally.

There is a very great challenge aligning the needs of all the universities in the sector. Noting the comments in 4.4 above, diversity is critical, but creating a system that is unified but not uniform is possible and should be what the review strives for.

7. What is working well?

The establishment of TEQSA in 2011 following the Bradley Review has been very positive. The streamlining of regulation and the integration of quality standards has boosted the reputation of the sector. TEQSA has now been in operation for over a decade and there has been a pleasing maturation of its regulatory function. The self-accrediting authority of universities is now better recognised and a sustained record of low-risk operations translates to a streamlined approach to re-registration. The recent expansion of TEQSA's powers to include matters of contract cheating has led

to constructive collaboration across the sector on academic integrity issues, which would not have been possible under previous regulatory frameworks.

8. What is not working well

The accreditation of university courses currently does not have unified processes or outcomes. Where courses need to be accredited by state or national bodies there can be onerous processing, timing and regulatory delays as well as significant differences in requirements between states and industry sectors. A national approach to accreditation is required to assess the courses of the future, to enable the delivery of the skills needed for the country while ensuring content is appropriate for students and professional bodies.

Many sectors consider work placements a critical part of university education. These work placements are either mandated by the accrediting body (teaching, nursing, medicine) or voluntary but highly valued by students and potential employers, but all are plagued by constraints of supply and cost pressures. A unified approach to work placements via national leadership would cement this critical part of the teaching program into all courses and provide graduates with the skills and experience to enter the workforce. The solution could be similar to systems already in place for trade qualifications, relieving the cost burden from students and encouraging more businesses to accept trainee placements.

9. Conclusion

The University Chancellors Council is pleased to work with the Review Panel to progress the development of the Universities Accord and we are looking forward to continue to engage with the consultation process. This is a once in a lifetime opportunity to focus on Australia's higher education system, creating change and improvements to our already strong sector and ensuring the solutions and skills needs for the future are adequately addressed.

If the Review Panel has any questions the UCC would welcome the opportunity to discuss them with you further. Please contact Sarah Bugg, UCC Secretariat, on 0407 071 334 or s.bugg@deakin.edu.au

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