1 September 2023

Department of Education

RE: UNE submission in response to the Interim Report

Thank you for the opportunity for further comment on the work of the Australian Universities Accord Panel (Panel).

Please find herein the University of New England response to the Interim Report from the Panel.

I, and my university, are at your service to expand upon any matter raised herein and/or to assist in any way the Panel sees would be helpful in finalising the Accord Report to government.

Yours sincerely,

Christopher J. Moran FTSE
Vice-Chancellor and Chief Executive Officer
University of New England

This once in a generation opportunity to acknowledge the significant under-recognition of the diversity of Australian universities and to correct the evident consequent inequities in funding must be grasped. The University of New England has a proud history, Australia's first regional rural university and Australia's longest running distance (and subsequently online) higher education institution, deserves funding and a fit-for-mission regulatory environment to support it to thrive into the foreseeable future. Under current sector settings, replacement of aged physical infrastructure and outdated enterprise systems will be very difficult.

Australia's future higher education system must capitalise on and enhance the diversity of the current system by ensuring that there is true support for differentiation in the resourcing model for higher education providers that recognises the diversity in mission, scale, students and location as a strength.

Diversity exists and the Accord challenge is to resource the higher education sector so that it flourishes.
To date, the sector discussions in relation to the diversity of universities have focussed simplistically on the relative emphasis on teaching and research. This is a myopic perspective on diversity. The dimensions of a broader schema for characterising universities include diversity of:
- institutional mission to reflect relative proportions of various student cohorts;
- geographic locations, e.g., city, regional centre, rural towns, and their consequent community and economic contexts, transport systems, energy and water context and digital connectivity;
- industry embeddedness;
- local businesses and their diversity;
- community background, aspirations and actual dependence on the university,
- research impact and profile based on institutional mission;
- pedagogical design, student engagement and associated models and emphases of teaching delivery models; and
- staff profile based on all of the above.

It is critical that the gigantic comprehensive universities, who can claim almost all aspects of any typology of diversity in some measure, are not used to characterise the sector as a whole. Simplistic aggregation and averaging of student and research statistics will support the continuation of a system that is almost entirely focused on over-funding of a small number of universities which have demonstrated, particularly through COVID, that they are more than capable of supporting their activities with a much lower percentage of government funding. For example, a single gigantic university returned a *surplus* in a single year, the year immediately after COVID, *in excess of several years* of total funding of UNE. All the gigantic universities have over-invested internally in research capacity (effectively out pricing the rest of the sector for research staff) and have then argued to government that consequently they are underfunded because they had to use international student revenue to support research. Like the adage that "the future is here it is just unevenly distributed", university diversity is here but it is poorly recognised and inequitably funded.

To ensure that higher education institutions can focus on providing an exceptional outcome in terms of teaching and research, a *fit-for-type* approach to funding and compliance is vital, i.e., funding should be appropriate for size and diversity characteristics. Smaller more focused institutions require more support than larger more homogeneous comprehensive universities to ensure they can deliver their specific mission sustainably. In particular, the additional costs of:
- inclusion and access for attraction and retention of rural students for UNE – school leavers who otherwise would not attend university and those with careers who need to obtain new capabilities to meet new job opportunities in rural towns and cities;
- infrastructure and human capital;
- compensating for long term lack of privilege for indigenous students;
- supporting rural communities where universities are critical to community cohesion and sustaining economic opportunities; and

- ensuring locally-relevant research can be sustained where it is far harder to grow international student load in comparison to large metropolitan areas.

For research, mission-driven funding models could be used, where large programs are supported to address identified challenges, with the facilities, teams and partners situated in the best location to realise outcomes and impacts. This should counter the current trend where research opportunity is being restricted to those organisations able to attract large international undergraduate student cohorts to provide the biggest matched funding purse as a result of "geographic privilege".

The genuine commitment of the Panel to inclusive consultation to shape a once-in-a-generation shift in Australia's tertiary education landscape is truly heartening. In summary the University of New England offers five reflections in relation to themes discussed in the Interim Report.

Reflection 1: Addressing urban privilege - inclusion, access and diversity funding

To achieve the envisaged resilient, diverse and world-class higher education system, the Accord must deliver a funding model that ensures a truly diverse higher education system. Funding must meet the fixed costs of rural providers and support the scaling challenges associated with operating outside major urban areas because costs are higher and alternative revenue scarcer. This should be viewed as a national investment opportunity not the negative default outlook of "subsidising regions". This funding should extend to supporting the pathway to learning and higher education for those who are at a disadvantage for historical, geographic and socio-structural reasons. Under-privilege with respect to inclusion and access is under-recognised and compensation under-resourced. Australia cannot meet its goals of bachelor's degree workforce levels (and consequent economic growth and community wellbeing) without addressing this key deficit.

Reflection 2: The *right* for First Nations to learn on-country

The Accord must ensure that a future higher education system respects and supports the *right* for First Nations Australians to undertake study on-country if so desired. There is a significant risk that financial incentives to attract First Nations people to highly ranked and/or wealthy institutions off-country could create perverse outcomes of removing people from country and community, risking the ongoing connection to country and limiting benefits back to community through a brain drain. The need for formal programs of pre-university pathway-to-learning support (possibly as CSP's), as mentioned in reflection 1, will be even more vital for these people.

Reflection 3: Reassessing opportunity for "failed" students

Students who have been barred from accessing a Commonwealth Supported Place due to the operation of the Job Ready Graduates 50% fail rule, should have access to these places restored and appropriate support provisions reassessed. Rural students that failed under this rule remain unnecessarily at significant life disadvantage even though we remain willing to teach them.

Reflection 4: National Regional University

The Accord should reframe the National Regional University concept as a staged investigation of "opt-in" synergies with a long-term vision for appropriate integration.

Reflection 5: Funding in-place and community research

Rural universities in managing their research program should address the needs of their small economies and communities. Research missions undertaken in the places that the research impact will be required, can deliver more fit-for-purpose outcomes, and produce skilled resources in place to deliver for the long term. However, marginal funding of research from government and these communities has become an unsustainable norm. This cannot be easily cross subsidised by international student revenue because it is difficult to attract large student load to country towns. As a result, rural universities, which should focus on their regions, open campuses in metropolitan locations to meet the financial need. This is a misalignment of mission/strategy with financial sustainability imperative.

University of New England

Reflection 1: Systematic strength and resilience through investment in Diversity

To deliver on the aspirations laid out in the interim report, institutional diversity must be fostered. Further, for Australia's higher education system to meet national needs, it must appropriately value diversity. Diverse institutions are required to support the changing needs of all Australians in terms of economic growth, social harmony and cultural integrity. An ambitious and long-term vision for the sector must be coupled with the appropriate shift in funding mechanisms to ensure that institutions of different sizes and shapes are supported to meet the fixed costs of delivering, governing and reporting on education and research, as well as the scalable costs associated with student and staff cohort characteristics. The current system does not support diverse institutions to flourish.[1]

Institutional diversity in higher education is multifaceted in ways which reach beyond Marginson's conceptions of diversity in higher education.[2] For example, the dimensions of a broader schema for thinking about institutional diversity in higher education should include:
- institutional mission to reflect relative proportions of various student cohorts;
- geographic locations, e.g., city, regional centre, rural towns, and their consequent community and economic contexts, transport systems, energy and water context and digital connectivity;
- industry embeddedness;
- local businesses and their diversity;
- community background, aspirations and actual dependence on the university,
- research impact and profile based on institutional mission;
- pedagogical design, student engagement and associated models and emphases of teaching delivery models; and
- staff profile based on all of the above.

This multifaceted conception of diversity at an institutional level is primarily reflected in the diversity of mission and informs the focus and delivery of teaching activities and research outcomes. The current arrangements for funding and the competitive market environment have supported a perception and assertion of a trend towards homogeneity across the sector[3] Australian higher education providers are not encouraged to embrace the inherent risks associated with delivering a distinctive educational experience or research profile due to a regulatory and funding system which rewards conformity. However, the Australian higher education landscape is abundant with diverse institutions that have been subsumed by the 'larger is better' narrative. Put simply, we are here, we are delivering education, research and opportunity to those who need it most, but we are struggling to survive under the current arrangements.

Currently, the funding model does not distinguish between the relative costs associated with the size and location of institutions. Small rural universities have very different cost and income structure in comparison to a large urban university, yet the funding model for course delivery is the same. In particular, the additional costs of:
- inclusion and access for attraction and retention of rural students – school leavers who otherwise would not attend university and those with careers who need to obtain new capabilities to meet new job opportunities in rural towns and cities;
- infrastructure and human capital;
- compensating for long term lack of privilege for indigenous students;
- supporting rural communities where universities are critical to community cohesion and sustaining economic opportunities; and

---

[1] Krause, Kerri-Lee. "Higher education sector institutional diversity: an Australian case study". JOURNAL OF HIGHER EDUCATION POLICY AND MANAGEMENT, vol.44,no.4, 2022, pp. 393-410. doi:10.1080/1360080X.2022.2051221

[2] Marginson, S. and Considine, M. 2000 The Enterprise University: Power, Governance and Reinvention in Australia. Cambridge University Press.

[3] Davis, G. 2017. The Australian Idea of a University. Melbourne University Press.

- ensuring locally-relevant research can be sustained where it is far harder to grow international student load in comparison to large metropolitan areas.

Regulatory and performance requirements are not currently articulated in a scalable way and there are fixed costs of meeting accreditation requirements, statutory performance requirements and research benchmarks which remain static regardless of size. An ideal outcome of the Accord would be a system which provides support where it is most needed. The case for structural investment in Australia's public regional universities must be acknowledged as an investment in the future of all Australians.

Differentiation and diversity are perhaps most visible in the student cohort which some universities seek to purposefully engage with as part of their mission. As a rural and highly online university, we teach and care for a cohort of students who have a higher likelihood of complex needs beyond those that fit within well-understood equity group classification descriptions.

When the Minister for Education announced the Interim Report, he spoke of the need to address the attainment gap in the outer suburbs of Australia's largest cities, and across regional Australia. By way of comparison, According to the ABS[4], in May 2021, 48.6% of people aged 25 to 34 years in major cities had a bachelor degree or above, compared with 26.9% in inner regional areas, 21.1% in outer regional areas, and approximately 16.6% in remote and very remote areas. In Canterbury-Bankstown LGA it is 23.6%, whereas for the Tamworth LGA it is 15%[5]. Tamworth is a community UNE has engaged with from the initiation of the university in 1954. Today, our engagement is insufficient to meet the community needs. Consequently, at significant cost, we have commenced the development of a new campus in support of this desperate community demanding help to uplift attainment rates. Other communities that are part of the greater UNE community, have similar attainment rates, some with even greater social impediments to success. The challenge to uplifting attainment rates in rural Australia is immense. The gap is even more significant when comparing indigenous or low SES populations in these areas with the metropolitan population average. As Australia's leading regional university, *these communities are our communities*. We own a deep sense of responsibility to deliver the best outcomes for these communities. To continue to do this we require deep commitment to higher education based in rural Australia.

More Australians, and rural Australians in particular, will need to turn to further study, or to study for the first time, to meet the challenges in an economy in transition. To enable this, Australia's higher education system must shift the dial and work to provide genuine support for access to education, and to ensure that there are not complex barriers to participation for those who have not previously thought that university was for 'people like them'. This means supporting institutions which are already meeting the requirements of those who would be excluded from accessing tertiary education if the traditional full-time, on-campus urban university student narrative continues to dominate the policy design space. This means supporting universities that have mastered the sort of flexibility needed by these cohorts, e.g., part time study, intensive immersive education, and hop-in/hop-out qualification building structures which span beyond the traditional degree structures and time-to complete assumptions of conventional higher education study.

The recently introduced legislation for student support means that the cost associated with this should no longer be considered as incidental – excellent student support is firmly at the heart of delivering any higher education program. A new funding model for the Australian Higher education system must acknowledge that the time students take to achieve a qualification is highly varied. Further, the costs to deliver and support typical UNE students – in their many diversities – is incurred on a per capita basis not on an EFTSL basis in any given year.

---

[4]https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2122/Quick_Guides/RegionalRemoteHigherEducation#:~:text=Attainment%20by%20regionality,remote%20and%20very%20remote%20areas.
[5] 2021 Australian Census Data: https://www.abs.gov.au/census/find-census-data/quickstats/2021/AUS

The current approach to funding provides greatest benefits to institutions of enormous size, which turn out highly reputable but identical programs. To ensure a diverse system, we need a funding model that encourages excellence and distinction of offering regardless of size as a fundamental requirement. The alternative is that Australia accepts further homogenisation of the system that supports mega-institutions catering to those that fit their mould.

Attachment 2

Reflection two: true recognition of Indigenous knowledge frameworks and a *right* to learn on Country

UNE supports the deep commitments articulated in the Interim Accord report to support First Nations Australians to play a greater role in driving the shape of knowledge creation and sharing in Australia, and recommends that further guidance be sought from an appropriate body of First Nations community leaders to determine the most appropriate mechanism to ensure that First Nations students have a right to be supported to learn, undertake their studies and research on country. There is potential for serious damage to communities by engineering a system whereby the best and brightest First Nations Students are removed from their communities to undertake higher education, unless a model of Indigenous self-determination is embedded in the governance at the highest levels. Policy that encourages institutions to incentivise Indigenous students to leave their country and community is likely to deliver perverse outcomes which may have the effect of on-going disconnection via brain-drain. First Nations leaders and learners should be supported to stay within communities if that is their preference. Australia's higher education system, must in turn be genuinely supported to adopt teaching and learning models which are informed by Indigenous conceptions of knowledge and appropriate knowledge transfer. All higher education providers must learn to listen, understand and support the self-determined needs and goals of Australia's First Nations peoples, and not assume the role of benevolent experts. Rural universities have been working towards these on-country objectives for many decades in spite of lack of funding and policy to excel in doing so. The Accord can close this long-term gap.

University of New England

Attachment 3

Reflection three: reinstating support and access to those who need it most

UNE commends the Immediate Action noted as part of the Interim Report, to repeal the 50% fail rate rule which was enacted as part of the Job Ready Graduates Policy changes. As the Panel rightly noted in the Interim Report, these legislative provisions have had a significant and disproportionate impact on underrepresented and disadvantaged cohorts, including students with a disability, those studying part time, First Nations students, low SES students, and regional rural and remote students. In many cases, the experience of individual intersectionality across these cohorts has a multiplying factor in terms of the extent to which they have been disadvantaged by this rule. Such provisions run counter to the Accord's deep commitment to enable the most disadvantaged members of our community; and were punitive towards those that for structural reasons and not personal preference were not well prepared to succeed at university.

It is vital that the decision to repeal the legislation from 2024 is paired with action to reassess the eligibility of those who have been excluded from accessing a Commonwealth Supported Place due to the inequitable impact of the 50% fail rule. The proposed legislative obligation to have and implement student support policies places the onus on higher education providers to ensure that, as far as possible, these students are supported to succeed in their continuing studies.

Reflection 4: National Regional University

The National Regional University concept could be reframed as a staged investigation of a long-term vision for appropriate integration. In the short-term rural universities could opt in to joint enterprise system support. Other opportunities could gradually be developed where synergies can be garnered, such as shared student admission, research-industry partnerships, joint regional-scale delivery initiatives and infrastructure planning. This would provide a pathway for future leaders to gradually assess the true merits of institutional aggregation unhindered by any defensive stance of incumbent leaders who necessarily are conflicted in decision making.

Reflection five: Ensuring vital research for global regional communities

Under the policy environment for support for research in Australian higher education institutions, the revenue from large numbers of international students is redirected to support the research missions of institutions. UNE has the smallest number of international students of any Australian university, yet over many years the university has delivered excellent research outcomes with real impacts in fields such as livestock genetics, soil science, education and curriculum, nursing, environmental science and psychology.

Historically, UNE has been able to build a strong, albeit compact, research effort in spite of having Australia's lowest proportion of international students. While we seek to grow international students from regional centres across the world, we do not believe it is appropriate strategy alignment (or sound institutional values) to strive to grow more enrolments from vast cities in China and India in order to prop up our research ambitions. In terms of international research engagement, we seek to connect our students and staff with those in regional areas across the globe who are dealing with the similar social and economic issues. We seek to undertake research of global significance with regional impact. A study commissioned by UNE shows that there is real potential to grow these dynamic relationships that seek to address global issues such as resource scarcity, population density, economic participation, health and climate change. However, we are unable to make investments to realise the opportunities.

The approach of UNE over many years has been one that has focussed on translating research into practice, products and impact for our research partners and populations more widely. This is becoming ever more difficult as the availability of funding narrows.

There is a greater reliance of the system on universities self-funding research through international student income. This leads to those universities with lower international cohorts, like UNE, being less able to invest in research teams, pay for technical staff and equipment, maintain suitable infrastructure and facilities, and top-up grant bid budgets. This leads to a cycle of being less successful in attracting funding; a situation that then spirals.

A streamlined research system would be one that allowed universities to play to their strengths and maintain competitiveness in their expert fields, rather than the current situation where competitive research funds are concentrated in a decreasing number of institutions driven by their ability to buy in capability using international student income. As the success of huge universities in attracting grants creates ever larger entities, smaller institutions are left with a marginal ability to support a vibrant research environment – struggling to fund infrastructure and technical staff, and unable to invest in sustainable research partnerships, nor activate research commercialisation.

Relying on universities being the major funders of the nation's research efforts is a misalignment of value and effort – the universities do the heavy lifting in funding and doing the research, while the beneficiaries of the research outcomes do not cover the full costs, nor indirect costs. Moving to a research mission-based funding model, based on government and industry problems and need could assist to address these issues. Mission-based research projects can have long time horizons, complex stakeholder profiles and interlinked project components. Funding bodies, in many (not all) cases, make decisions on strategic need where research can harness an opportunity or address a problem. Looking at mechanisms to draw together funds from multiple sources (including government agencies) to address large problems over a long horizon could seed mission-based research activity to address government / industry drivers. This would encourage a system where the beneficiaries of the outcome have a greater role in funding the activity, and in doing so addresses the unsustainably spiralling international student fee funding model.

UNE is working to develop partnerships with universities with similar challenges and profiles to work on common issues of diversity, equity of opportunity. We seek to partner on research and development activities that are embedded in community and the needs of local industry, and we aim to produce research graduates

with curiosity and an innovation mindset, combined with practical tangible and adaptable skills. Critically, we aim to develop researchers and graduates that see career and life opportunities in rural Australia and the desire and incentives to stay rural.