



Response to the Universities Accord Interim Report – Executive Summary

The current system of higher education in Australia was designed 35 years ago. Since that time Australia's society and economy, and the world around us, have changed substantially.

Unsurprisingly, the Australian Universities Accord Interim Report has identified significant challenges facing Australia's higher education sector – challenges which will become even more acute by 2050. These can be gathered into three clusters:

- *Access* – increasing the supply of tertiary education to meet the growing demand and needs of Australia's economy and society; broadening participation of under-represented groups and supporting them for success; and improving student access and choice within a more integrated higher education system.
- *Quality* – ensuring that tertiary education is delivering the appropriate education and training for Australia's future needs; improving education and student experience; setting up our research ecosystem for excellence; and ensuring campus employment conditions and student safety are aligned with community expectations.
- *Funding* – ensuring adequate resources to provide teaching and learning at scale and quality; adequately resourcing Australia's research sector; and ensuring the appropriate mix between public funding and student fees for a sustainable sector.

These are significant challenges, and the government faces a threshold question: can Australia adequately address these challenges within the framework of a tertiary education system designed over a generation ago? Will incremental changes to the current system of 42 universities set Australia's higher education sector up for success in 2050?

Any objective analysis must answer “no”. Addressing the *Access*, *Quality* and *Funding* challenges identified within the framework of the current system presents the government with a policy trilemma: trying to address each of them will worsen the other two.

- Addressing the *Access* challenges identified in the Interim Report cannot be achieved with the academic workforce, infrastructure and student support capacities of the current system of universities. Simply increasing numbers of students at existing universities will exacerbate the diseconomies of scale, harming education quality and student experience. It will also lead to even greater resourcing shortfalls as teaching costs outstrip funding envelopes.
- Investing in the *Quality* of education outcomes, student support, broadened participation and student retention is incompatible with expecting universities to invest in educating more students while covering increasing research funding shortfalls in the context of government disinvestment in the tertiary sector.
- Ramping up *Funding* to adequately address the access and quality challenges will require a step-change in resourcing. Resourcing greater numbers of academics whose focus is teaching and research is *the most expensive way to educate* increasing numbers of students, while constraining teachers' and institutions' responsiveness to student needs and capacity to innovate.

The logical solution is to fundamentally redesign Australia's tertiary education system to meet the challenges outlined in the Interim Report, and to meet Australia's tertiary education needs in the 2050s. This redesign must begin with a first-principles consideration of what Australia needs from its tertiary education system:

- The system needs to deliver a broad spectrum of *Education* options and outcomes to a larger, more heterogeneous and more motivationally-diverse cohort of students than ever before. The spectrum of educational outcomes must range from critical, analytical, complex problem-solving capabilities to professional and technical capabilities. Though not mutually exclusive, there must be opportunities for students to access different mixes of educational options when and where they need to.
- A sustainable *Research* system that delivers future productivity, resilience and prosperity to the nation. Universities must be able to invest in research capabilities that continue to position Australia at the leading edge of global knowledge creation, enabling it to contribute to and integrate the accelerating technological change that will define our future. There must be partnerships between universities, with non-university research institutions such as medical research institutes and CSIRO, and with leading centres of research across the world, while enabling greater research engagement with Indigenous, remote and disadvantaged communities.
- Australia's tertiary institutions play a crucial role in social *Engagement*: facilitating and contributing to public discussion, fostering broad commitment to truth, objectivity and respectful disagreement, and enriching communities through intellectual and cultural engagement, including playing to our strengths in the arts and in sport.

Only a redesigned tertiary education system can simultaneously expand provision and access at high quality and acceptable cost. To do so, it must:

- Expand student choice, tailoring education to student preference, need and accessibility, and creating pathways of access, aspiration and continuous learning.
- Build a larger, secure and specialist academic workforce, able to deliver the highest quality of education and student support, as well as world-leading research capability, at a sustainable cost to public and student finances.
- Create more diverse entry-points, tailored transition options and re-entry points, along with support systems designed to maximise student retention and success.
- Move from a dispersed, homogeneous, competitive sector to a diverse, complementary and mutually-supportive ecosystem of tertiary education.

A fundamental redesign of the current system, which makes the best use of resources, must reduce the duplication among universities while maximising student choice and outcomes. Rather than a one-size-fits-all system, the sector needs to move towards a varied tertiary education ecosystem differentiating among teaching-intensive, research-intensive and vocational training institutions, with students able to move among these options.

- *Research-intensive tertiary institutions* will form the basis of Australia's sustainable research capability into the future. They will form the dynamic research collaborations with industry, government and international partners to ensure Australia remains at the cutting edge of knowledge creation and technological innovation. The research-teaching nexus will facilitate deep disciplinary education, as well as the development of critical, analytical and systems thinking, abstract and complex problem solving, and high-level communication capabilities. Research, particularly "big science", is becoming more expensive. While Australia's research capability relies on reversing the current trend of under-funding research, this must be balanced against optimising the return on each research dollar by ensuring funding flows to the highest quality and highest impact research, and that research complements rather than duplicates between institutions.

- *Teaching-intensive tertiary institutions* present the best way of expanding the supply of high-quality tertiary education at the most sustainable cost. Expert, specialist teaching academics can devote a much greater proportion of their time to teaching and investing in quality and innovation. They should also have greater flexibility in tailoring education to student need and choice, while working closely with employers to adapt their education to more immediate professional workforce requirements.
- *Technical and vocational training institutions* will continue to be crucial in educating for the needs of a rapidly transforming technological future. Few professions will escape the demands and opportunities of continuous evolution in technology and technique, and all Australians need to be able to access opportunities to retrain and upskill. As a sector integral to Australia's tertiary education needs, technical and vocational training institutes should be funded and regulated federally.
- *Senior High School Colleges*, comprising years 11 and 12 of school should be considered as part of the tertiary education ecosystem. The government should consider ways to integrate senior years of high school into the tertiary education system, creating pathways for students from underrepresented cohorts from school into higher education. This could involve further encouraging both teaching-intensive and research-intensive universities and technical and vocational training institutions to forge partnerships with schools, enhancing their teaching capabilities and demystifying tertiary education among students.

A varied, connected and properly resourced tertiary education ecosystem would require specific mission-based agreements with each institution. This would allow the government to determine the amount and distribution of education funding for particular needs and levels of demand; that education and student experience are high quality; that the highest quality research is being conducted collaboratively; and that students from underrepresented cohorts have access to high quality education with appropriate levels of support for success.

A weakness of the current system is its duplicative, disconnected, competitive nature. This is wasteful of resources and alienating for external stakeholders. A redesigned system must put networks of collaboration and mutual enrichment at its core. Networks and partnerships among teaching-intensive and research-intensive universities, technical and vocational training institutions, and senior secondary education colleges would create student-centred pathways across the different components of the ecosystem. The design of the ecosystem also envisages sharing of teaching best practice, access to cutting-edge research and ideas, and secondment and further training opportunities to flow across the sector.

Central to a new vision for tertiary education must be an honest recognition of its centrality to the country's future, and a corresponding resolve to resource it appropriately. The Jobs Ready Graduates reforms stripped \$1 billion from the sector, leaving it precariously underfunded while still weakened by COVID, and reliant on uncertain international fee income. A levy on international fees will simply redistribute existing resources inefficiently, create new sources of discord, and undermine our international reputation. Lifting the public contribution, rethinking student contributions, and considering an industry contribution, should be integral to designing a new fit-for-purpose tertiary ecosystem for the future.