

Universities Accord

Submission in Response to the Interim
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Overall

Murdoch University welcomes the publication of the Interim Report and the timely response of the Government to the five priority actions. We also welcome the opportunity to provide input to other potential recommendations before they are finalised. Many of the points and suggestions made in the interim report have merit, although taken together they would represent a substantial investment of time and effort by the sector without clear evidence of substantial benefit. There are, however, three substantive matters on which we wish to comment.

Tertiary Education Commission

We agree that “Australian higher education would benefit from having a wider range of complementary institutions differentiated by their unique missions”. We recognise that a Tertiary Education Commission (TEC) has the potential to facilitate this goal and to “create more innovation and diversity between institutions by expanding the scope of mission-based compacts and possible mission-based funding for universities”.

However, the success of such a commission depends on it having a significant degree of independence from government so that it can put in place long term approaches to funding and maintain a consistency of priorities and approaches independent of the political colour of the government in power or the particular interests of individual ministers.

The TEC would need to negotiate compacts on a state-by-state basis in partnership with the relevant state or territory government. The skills needs and equity issues vary significantly across the different states and territories, while the number of universities in the system makes the process of negotiating mission-based compacts across all universities in a consistent manner which delivers a coherent higher education system challenging. It would be much more manageable if there was a panel for each state, with overall coordination being negotiated between the panel chairs.

The relationship between TEQSA and such a commission would need to be examined carefully, and the possibility of merging TEQSA or its functions into the TEC or as a branch of the TEC considered. Ideally the TEC would become the one agency through which Australian universities reported, rather than one of a number. In particular, the Department of Education should seek information through the TEC rather than directly with the universities.

The TEC would need a clear and consistent set of policies and procedures, approved by an independent Board, to ensure that the way it operates is not unduly influenced by the personal perspectives of individual CEOs/Director Generals. The Commission would need to win and keep the trust of both Government and the sector – no small feat.

International Student Levy

We note that the review is “examining a funding mechanism such as a levy on international student fee income. Such a mechanism could provide insurance against future economic, policy or other shocks, or fund national and sector priorities such as infrastructure and research.” We strongly oppose such a levy. Such a Robin-Hood tax is unlikely to have any positive benefit for the sector as a whole. The universities earning this revenue are already using it to fund infrastructure and research, and a ‘just-in-case’ fund would require the wisdom of Solomon to administer. It is far more likely that revenue generated by such a levy would end up as government revenue, and future governments may find increasing the levy as a handy way of generating additional revenue from non-voters.

Demand and Supply projections

We note the analysis done for the report which suggests that 55% of the workforce will require a university degree by 2050, and that if this target is to be met through additional CSP places alone, 900,000 additional CSP places will be required by that date. We also note that an ambition is expressed to reach an equity ratio of 1.0 for under-represented

groups by 2050, and that much of the growth in places is expected to come from these groups. Further, we note that the Bradley report in 2008 set a target for 40% of the population to have degrees, with a rise to 20% for those from lower SES groups, and that the former target has been met while almost no progress has been made towards the latter. The increase in university qualified individuals since the Bradley report continued growing at a similar rate to the years before the report, so it is highly unlikely that the targets set in the Bradley report had any significant impact.

Setting targets is easy, but increasing participation requires cultural change, not just the availability of places and the provision of support once students are enrolled. We note that the report (p. 69) states “Tackling this participation problem will require all institutions to actively support students from all backgrounds to enrol and succeed. Every part of the higher education system must set out to achieve greater equity.” We fully support these statements and the various initiatives suggested in the report.

Nevertheless, given the current decline in domestic enrolments and degree completions (Figure 2.1-3), despite places being available and support services being at a new high following the pandemic, setting such ambitious targets and expecting them to be met seems to be wishful thinking. Around the world, universities and governments are struggling to increase university participation rates amongst students from low SES groups, and there is no evidence of initiatives that can dramatically increase this participation – there is no silver bullet. Demand for university places and trust in universities is generally falling in Western countries.

On the other hand, throughout Asia and the global South, demand for university education has never been higher. Prior to the pandemic, Australia hosted almost 750,000 international university students. Many of these students are looking for migration options post-study. There is every possibility that the number of international students will grow back to and beyond this number over the coming years, providing the Australian Government can resolve current geopolitical tensions skilfully.

With respect to international students, the interim report states “While the Review acknowledges international education’s role as a crucial export industry, it also sees it as a crucial element of Australia’s soft diplomacy and the generation of relationships and reputation across the world. This makes the quality of the education we provide crucially important.” This does not consider the value of international students as potential contributors to our future population and workforce. Yet they are an important consideration and potential contributor to achieving the 55% target without placing additional burden on the Australian taxpayer. Skilled migration is another potential contributor to this target, and it is unclear whether the analysis done for the review has taken into account skilled migration and the potential to increase the number of skilled migrants coming to Australia.

Consequently, the estimate of 900,000 for additional CGS places may be an overestimate and additional universities may not be required. In 2019, Australian universities were already educating close to the number of students required to meet our skills needs for 2050, albeit that many of these students were returning to their home country after graduation.

The Review should state the assumptions it has made regarding international student settlement and skilled migration and to look at scenarios where the 55% target is made up of different mixes of domestic student enrolment growth, international student migration and skilled migration.

Conclusion

The interim report is a good start. There is now an opportunity to focus on measures that could make a real difference to the efficiency, effectiveness, and equity of the Australian university system. With our commitment to sustainability; equity, diversity and inclusion; and First Nations, we stand ready to join the Government and the rest of the Australian higher education sector in Building a Brighter Future, Together.