



# Response to Universities Accord Interim Report

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Griffith University welcomes the opportunity to provide a submission to the Australian Universities Accord on the recently published Interim Report.

A focus on ensuring a high functioning system where obligations are linked to the funding required to execute them should be the aim of the Accord. At present, unfunded mandates and cross-subsidies are rife in the system, making it vulnerable to disruptors which do not carry the same burden of regulation and expectation as public universities. The more ambitious the goal (for example, stretch targets for very high levels of participation by educationally disadvantaged students), the more significant the resourcing and support required, both in financial and policy terms.

We commend the work undertaken by Universities Australia that illustrates the extent to which public funding of universities has been eroded over the last decade and note that the high level of efficiency in both teaching and research that universities have achieved has entailed significant workloads for staff. It is simply not possible to continue to do more with less and a fundamental rethink of university funding must be at the heart of the outcomes of the Accord or it will not be possible to achieve the other important goals articulated by the Interim Report and government.

### **Participation and targets**

The participation goals for higher education set out in the Interim Report are highly ambitious. For these to be achieved, there needs to be enough university-ready students able to commence tertiary study in the short to medium term, especially from traditionally underrepresented and marginalised groups. Even with investment in student support and university transition programs, the entrenched streaming of secondary students into pathways that target completion as opposed to entry into higher education means that the volume of students needed will take longer to develop. There should, therefore, be a more concerted effort in the secondary school system to raise the aspirations and capabilities of young people and have more defined pathways between secondary schools and higher education providers. While Queensland has a comparatively robust apparent retention rate to the end of year 12 of 81%,<sup>i</sup> only 57.1% attain a senior schooling qualification and only 52.9% of the Year 12 cohort are on an ATAR track.<sup>ii</sup> In low SES areas, these figures are even more stark – in Logan, for example, 52.8% complete their secondary school certificate,<sup>iii</sup> and a mere 25.5% of Year 12s are ATAR eligible.<sup>iv</sup> Moreover, within the group of students who leave school early, a growing proportion are opting to discontinue their studies in Year 10. For instance, in 2021, 33.5% of Queensland's early school leavers were in Year 10.<sup>v</sup> The challenge of transforming equity in higher education should, therefore, not be underestimated as it requires a substantial change in the school system as well as appropriate pathways back into education for mature learners. Much can be achieved in a decade with concentrated focus from early childhood through the school system and into higher education, but a serious analysis would need to be undertaken to see whether equity participation could be lifted to parity in that time. It may be more sensible to set some ambitious and realistic targets for the next five years with a commitment to review and extend them in five-yearly increments.

Whatever funding mechanism is chosen to support equity students into higher education will need to include sufficiently certain institutional funding that universities will be able to support long-term engagement with marginalised communities. Simply attaching funding to individual students does not recognise the long-term work in schools and communities that will be needed to help bring students in low SES areas to a level of capability and ambition for education that will lead to substantial change.

### **Equity: cost of living and placements**

Cost of living remains a critical issue for many students, and it becomes acute in the context of compulsory placements which can involve a substantial number of hours to complete. If these placements are in regional or remote Australia, the cost is exacerbated by additional rental and travel costs. In disciplines such as midwifery, nearly two thirds of the students are non-school leavers which means that many of them have family and employment responsibilities. Universities are not funded to cover the additional costs of living support for placement students; universities already absorb around a quarter of the CSP income per student on placements in disciplines such as nursing and midwifery. In 2023, Griffith will spend approximately \$14.8m on health placements and \$2,025,219.90 on education placements.

The cost to federal government of providing payments or an allowance to all placement students would be substantial and poorly targeted. One possible alternative option would be for State governments to pay students, at least in later years, for their time as they would other employees. Another would be for the federal government (possibly with contributions from the State) to have a pool of funding that students in need could apply to and which would assist in covering the cost of living, including a loading for placements that require a student to live

away from home. A final option is that students be able to draw down a modest additional amount of funding to support their study from a HECS type loan, at the very least, for those undertaking compulsory placements. While further debt for students is not a highly desirable option, the present circumstances mean that students are undertaking several years of study, accumulating debt and then not being able to graduate and enter professions because they cannot afford to undertake their placements.

We are seeing this as an acute problem in areas of critical need, including nursing and midwifery. Over the past 12 months, for example, at least 12% of students in Griffith's Bachelor of Midwifery (Bmid) cohort have been impacted by placement poverty enough to disrupt their enrolment; 12 students withdrew from the BMid program entirely; 6 students took a leave of absence (posing a significant attrition risk) and 4 students converted to part-time to save enough money through paid employment to continue supporting their clinical placements the following next year. At a recent student focus group, students remarked that 'The BMid program feels like a rich person's degree.' Placement pressures in the larger Bachelor of Nursing cohort have a comparable impact. The financial burden of 80-hour placements over 2 weeks or 160-hour placements over 4 weeks, along with living costs, affects students' mental health and academic performance. Over 2022-23 YTD, 33.8% of Bachelor of Nursing students who discontinued their studies attributed their withdrawal to placement challenges such as life balance difficulties, financial strain, work commitments and emotional problems, while 55.42% of students who took leave of absence cited similar reasons.

A modest amount of additional debt capacity (noting that courses such as nursing, education and social work currently do not have substantial student contributions) may be sufficient to allow students to complete the course and, therefore, be more capable of paying off their debt. This would also support the stated aim of ensuring more students from low SES backgrounds complete their courses as well as commence them.

### **Higher Education Academy**

While Griffith University is cautious about the creation of too many additional institutions at Commonwealth level, we do support the establishment of a Higher Education Academy (HEA) in Australia. Its role should be one of advocacy for best practice as opposed to imposing more layers of regulation. The role of such an academy would, therefore, be to provide leadership growth in teaching and learning and offer evidenced based approaches to best practice that institutions could then adapt to meet the needs of their own student population. A Higher Education Academy would also provide greater recognition of those excelling in teaching within higher education institutions. Many Australian institutions currently pay substantial sums to AdvanceHE for programs that lead to recognition as higher education fellows at various levels. In addition, many invest in their own in-house capability. An Australian HEA could seek to provide high-quality support for and accreditation of higher education teaching that is relevant for this country and supported by the latest evidence. Given the rapid impact of digital technologies, a centralised repository of expertise in areas including technology enhanced teaching could benefit all and funding for this program could help support the HEA. Many neighbouring countries, particularly in the Pacific, cannot afford the English AdvanceHE programs and over time an Australian HEA could aspire to work with such countries.

### **Research**

Griffith supports the key recommendations on research in the Universities Australia paper and notes that bringing research support to 50c in the dollar would have flow on implications for other areas of endeavour (particularly teaching and learning) which would no longer be required to cross-subsidise research to the same degree. It would also make it more feasible for less well-resourced universities to participate in Category 1 research grants.

We also support the proposal to implement the proposal in the Ferris, Finkel, Fraser Review of R&D Tax Incentives (2016) to 'Introduce a collaboration premium of up to 20 percent for the non-refundable tax offset to provide additional support for the collaborative element of R&D expenditures undertaken with publicly-funded research organisations.' Such a premium would also extend to employing STEM PhD graduates. As that report notes, Australian industry has a particularly poor track record of collaborating with publicly funded research institutions as compared to other OECD countries (a number of which have a similar premium incentive). It also spends an unusually high level of research funding on indirect funding through tax incentives (with the 2022-3 budget allocating approximately \$3.5B to this scheme) despite a very small percentage of Australian businesses accessing this scheme and business playing a diminishing role in contributing to R&D. As the '3F' report notes, the likelihood of positive 'spillovers' from such collaborations are much higher than for most deductible work and it would also help to incentivise industry to increase its contribution to innovation by collaborating with the sector which plays the largest role in expenditure on R&D.



## Finance and governance

Griffith acknowledges that both the financial structures and governance models within higher education need reform. However, given the complexity within the current system, any change to the financial model and/or the governance model must be accompanied by an overall principle that reforms should result in lower levels of regulation impact and expense. Any additional targets, structures or processes recommended by the panel should be accompanied by recommendations for which current targets, structures or processes should be eliminated or reduced. Without this discipline, the outcome of the Accord could easily become one that leads to greater regulation and less freedom for universities.

We believe that the best way forward is to focus only on a very small number of additional targets (e.g. equity in both admission and completion targets) and then allow a TEC or government to engage with each university around its particular strategic vision, targets, the planning and resources required to get to those targets, and appropriate measurements of them. This will require discipline and constraint from both the panel and the government but if greater distinctiveness is the best way to meet a complex future, then we would argue that this is what is required.

Similarly, it is important that any substantive changes that are recommended are clearly linked to changes to funding that will make them feasible. Across the sector, there exists a plethora of regulation that, when implemented, places a financial burden on universities. This financial burden is absorbed by the sector, but this is becoming increasingly untenable. A continuation of unfunded mandates from government risks the higher education sector losing the ability to be able to respond to changing needs and would, therefore, diminish the creative capacity of institutions to meet their individual missions.

## International Education

While the interim report notes the centrality of international student education to the mission of the sector, and a primary source of revenue, it is equally positioned as crucial to Australia's soft diplomacy and regional development. The recognition given to the latter is acknowledged and appreciated, with our alumni and institutional partnerships supporting and underpinning foreign engagement at the national level. The contribution and commitment to building capacity in a range of critical areas across the Indo Pacific is an important aspect of our broader internationalisation activities.

While the higher education sector is well placed to advance Australia's foreign policy objectives, it is not a role that should be contained to strategic imperatives or priorities. The longstanding value of academic institutions in promoting critical inquiry, enabling constructive dialogue and cooperation while sustaining valuable and often enduring people-to-people connections - particularly in circumstances where official political relationships are under strain – is not to be underestimated. Recognising the significance of institutional autonomy and academic freedoms in international engagement reinforces the affective and normative influence of Australia's democratic values. Ensuring regular and open channels of communication between foreign and strategic policy-makers and the higher education sector will be critical to enabling appropriate and constructive soft diplomacy outcomes into the future.

The reliance on international students as a source of revenue is referenced as being a risk to national research efforts, which makes the proposal to introduce an international student levy to fund research difficult to understand. Rather than reducing vulnerability to the ebbs and flows of student demand, it would reinforce it. Noting that many of the ideas presented in relation to international student education are exploratory in nature, they appear likely to add to the compliance burden and cost of international students, with reference to the potential introduction of a Code similar to the NZ version presumably added to CRICOS and ESOS, both of which already cover off the aspects NZ providers sign up to under the Code, and which are of no additional value to the students themselves.

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<sup>i</sup> Australian Bureau of Statistics. 15 February 2022. Schools Data.

<sup>ii</sup> Australian Curriculum Assessment and Reporting Authority (ACARA). Three year average of 2020, 2021 and 2022 Year 12 cohorts.

<sup>iii</sup> ABS. 2021 Census Data by region.

<sup>iv</sup> Australian Curriculum Assessment and Reporting Authority (ACARA). Regional data over 2020, 2021 and 2022.

<sup>v</sup> See Queensland Department of Education and Training (2015-2022). Early School Leavers Survey. Accessed 10 Aug. 23 <https://alt-qed.qed.qld.gov.au/publications/reports/statistics/schooling/learning-outcomes/next-step/early-leavers#:~:text=The%20Early%20School%20Leavers%20survey,details%20visit%20information%20for%20participants>