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Australian Universities Accord Panel
Department of Education
GPO Box 9880
Canberra ACT 2601

Dear Professor O’Kane and Australian Universities Accord Panel,

Thank you for the opportunity to make this submission to the Australian Universities Accord Panel Consultation on the Terms of Reference for the Review. The University of New England (UNE) welcomes the Review and the opportunity to shape its direction.

UNE commends the Government for undertaking the Review. An Accord that sets out a national vision and set of ambitious goals for higher education will shape policy, regulation and investment over a generation or more – providing both clear direction and the stability that allows the sector to innovate to meet and exceed those goals.

One of the most pressing challenges for the Review is to ensure that the higher education system enables and supports diversity amongst its institutions. A coherent and integrated system that meets the nation’s varied needs not demand uniformity among its components. Indeed, systems – like societies – are strengthened by their diversity. Perhaps the greatest weakness of the current system, and its policy, regulatory and investment settings, is the uniformity it drives.¹ A future system would recognise and support diversity in institutional location, scale, mission and focus – each of which contributes to the strength of the overall system. Diversity is particularly important in addressing the distinctive place-based needs of regional communities.

UNE supports the full scope of the Terms of Reference (ToR). However, there is overlap between the individual ToRs and with other reviews currently underway. Clarification would assist in focusing submissions and the relationship with other reviews. Further it would be beneficial to state explicitly the extent to which elements of the of the Review are sector-wide (public, private, all Higher Education providers across all provider category standards) or have a primary focus on public institutions.

As each of the ToRs is relevant to UNE, reflections on each are provided below. UNE looks forward to providing the Panel with more detailed analysis in response to the forthcoming discussion paper.

1. Meeting Australia’s knowledge and skills needs, now and in the future

Australia’s knowledge and skills needs require a higher education sector that embraces and supports diversity in location, scale, mission and focus. The current predominantly one-size-fits-all regulatory and funding approach stands in the way of diversity.

The particular role of regionally-located HE providers in meeting local knowledge and skill needs should be a core consideration. The disparity of attainment of post-secondary qualifications

¹ Davis, G. (2017). *The Australian Idea of a University*. Melbourne University Press

between regional and metro and peri-urban communities remains an issue for regional Australia². There is also a major disparity in the cost of delivery to regional student cohorts, who are often mature age and/or part-time, facing significant barriers, to study such as work and family commitment. Most regional universities also have a smaller catchment than metro and peri-urban universities, requiring a larger investment per enrolment. In spite of the additional costs of delivery and issues of scale, it is essential that regional universities are able to continue to offer comprehensive choice in educational offerings to ensure that regional students are able to study and work within their community to meet current and future skill needs. The Review should consider how this public good contribution of smaller and regional institutions is recognised and supported to continue.

A second major consideration in meeting Australia's knowledge and skills needs is the critical importance of placements and work-integrated learning. Current settings do not encourage nor facilitate employers to accept students on placements (despite their need for graduates), imposes unfunded costs on students and institutions (and on industry), and drives unhealthy competition between institutions for placement places. The Review should consider a coherent national approach to university-industry-government collaboration for the funding and delivery of placements, particularly in critical public sector professions including health and education.

To ensure a world class model of higher education for the 21st century, the Accord also needs to consider the policy environment more broadly. It should drive for simplicity in regulatory, funding and investment models. The current higher education policy environment is overly complex with targeted and special purpose funding schemes that cut across each other and add to complexity for the Department as well as for providers. To meet current and future needed, Australia needs a higher education system with holistic funding and regulatory model designed to support the diversity of mission across all public institutions. The focus should be on simplicity and longevity of design, rather than short term and piecemeal interventions.

As an imperative, the Review should prioritise consideration of:

- the diverse needs of public and private institutions, including -
 - the different cost structures of regional, peri-urban and urban institutions;
 - the different missions, operating models and scale – and distribution of student fee-types – that affect the revenue model and cost structure of diverse institutions, and the differential impact of ostensibly sector-wide regulation on them;
 - the infrastructure requirements of institutions that (recognising the diversity in opportunity) aren't able to, or (recognising the diversity in mission) choose not to, recruit international students to cross-subsidise these costs;
 - the regionalised disparity in educational attainment that increases the costs of educational delivery in regional institutions – and that scales with head-count, not student load; and
 - the public good contribution that regional universities make to their communities by delivering programs that meet local skills needs even where the programs are (on the current model) uneconomical to run (and where scale and cross-subsidies available to larger metropolitan universities are not available);
- an integrated, national approach to placements and work integrated learning; and
- simplicity in the design of regulatory, funding and investment models.

2. Access and opportunity

In recent years there has been an increased focus on providing access and opportunity for all Australians to participate in and benefit from higher education, with a strong focus on undergraduate participation. This is commendable and a long overdue shift. However, the higher education system is struggling to make change on the scale required to meet growing demand

² [National Regional, Rural and Remote Tertiary Education Strategy - final report - Department of Education, Australian Government](#)

from students from underrepresented backgrounds (including First Nations Australians, those from low socio-economic backgrounds, people with disability, and regional and rural Australians) and employers seeking a population with the requisite skills and knowledge at undergraduate and postgraduate level, especially in regional and remote locations. The system is still designed to support those with fewer structural barriers to participation.

The Accord process also provides an opportunity to take a deep and critical look at ways in which the higher education sector and linked public policy areas such as primary, secondary, and vocational education, regional investment, and health and social services can be structured and supported to deliver real equity for Australians in all our diversity. The current model, under which funding is allocated based on equivalent full time student load (EFTSL) is derived from an historical archetype of a student that studied full time. This does not fit the modern student experience. Many students now study part time and therefore, costs are driven by an increasing head count. This and other changes to the cost structure of higher education institutions needs to be considered in any proposals for a new funding model. Similarly, more recent interventions under which funding is targeted to individual student is not easily operationalised and inhibits systemic interventions.

Under this ToR, the Review should prioritise consideration of:

- alternative funding models that reflect the cost of delivery to non-traditional student cohorts and their study patterns;
- the Job Ready Graduates low completion thresholds for non-traditional student cohorts; and
- equity of access to opportunities for life-long learning, including post-graduate study, for regional and non-traditional students.

3. *Investment and affordability*

The current funding model for the Australian higher education system is long overdue for review. Core issues include:

- subject-based funding changes (particularly to student contributions) introduced as part of the Job Ready Graduates scheme, are not based in evidence about student choice and appear to have driven perverse outcomes;
- the cross-subsidy of research costs from teaching income;
- the reliance on international student fee income to cross-subsidise not only research costs but also broader infrastructure costs – which distorts institutions’ choices about their mission and has a disparate impact across the sector, particularly on smaller institutions with fewer international students; and
- the complex funding instruments put in place to address particular policy goals.

Government investment in education must also reflect social benefits as well as economic dividend. The Review provides an opportunity to frame the national investment in education going beyond the narrowly economic and including the broader social impact of widespread and equitable access to higher education as reflected in the “Measuring What Matters” approach to the Federal Budget.

To address the issues with the current funding model, the Review should prioritise consideration of:

- the infrastructure requirements of institutions that (recognising the diversity in opportunity) aren’t able to, or (recognising the diversity in mission) choose not to, recruit international students to cross-subsidise these costs (see ToR 1);
- the regionalised disparity in educational attainment that increases the costs of educational delivery in regional institutions – and that scales with head-count, not student load (see ToR 1);

- consideration of alternative funding models that reflect the cost of delivery to non-traditional student cohorts and their study patterns (see ToR 2);
- mission-based funding models that tailor investment to-
 - the particular location, scale, mission and focus of institutions
 - the costs of delivering to that mission in that context, in particular where the public good contribution (for example, addressing local skill needs in a thin market) imposes additional costs compared with other institutional settings
- review of student contributions related to Job Ready Graduates
- consideration of education investment and its import against core elements of “Measuring What Matters”, not only the knowledge and skills component.

4. Governance, accountability, and community

The current governance and accountability landscape of the Australian higher education sector has evolved incrementally in response to issues as they have emerged over the past five or six decades. UNE supports the inclusion of a renewed focus on accountability and transparency in reporting. However, this should not just mean layering another set of regulatory requirements on the sector. Any engagement of regulator and workplace relations settings must seek to reduce the administrative burden on providers and the Department in terms of compliance and reporting. The interplay between Commonwealth and State regulatory requirements also be considered. Most public institutions have been established under State legislation and there is significant duplication in compliance and reporting activities.

Thus, UNE would welcome prioritisation of multi-jurisdictional reporting.

5. The connection between the vocational education and training and higher education systems

UNE supports the broad remit of the Accord and in particular the opportunity to look critically at the interplay between higher education and vocational education and training in Australia. The flow of students between the two systems and important points of intersection and differentiation are not well understood. This is currently a poor outcome for students, industry and with wider community.

A key focus for the review should be to on developing a road map for a cohesive and connected tertiary system that supports life-long learning. It should prioritise:

- addressing the barriers to forging strong academic linkages between vocational and higher education, including the regulatory and funding impediments to two-way movement of students;
- the need for a coherent national approach to industry placements, particularly in professional disciplines particularly given the increase in institutions operating across state borders (see ToR 1); and
- the need for a coherent national approach to industry accreditation of courses, so that accreditation ensures professional requirements are met but does overreach into institutions’ diverse operating models.

6. Quality and sustainability

The disruption to the international student arrivals due to the COVID-19 pandemic and associated travel bans highlighted the extent to which Australia’s higher education system is truly global, both in respect to staff and student mobility but also in terms of financial dependencies. The international student system has provided significant income to a wide range of institutions which has supported large-scale investment in teaching, research, and development endeavours. It also highlighted the market opportunity to provide online education into markets where this has been more difficult in the past. Embracing digital delivery as a central component of our approach to

international education will position Australian education providers as being able to deliver teaching and learning and student services that provide students with the flexibility to study with an Australian university in the way that best suits their personal circumstances. It will also enable Australian providers to maximise their investment in educational technologies and new delivery models that support delivery domestic delivery.

Crucially, barriers to reenergising our international student markets must be addressed if Australia is to regain the market share in this space. It is also recognised that the majority of Australian institutions need to diversify their international student source countries. However, it must be acknowledged that entry to new markets is costly and takes time to achieve. To maximise success, the policies, financial investment and the whole of government regulatory landscape will need to be aligned.

A strong and resilient international education sector will provide an opportunity for Australia to deepen partnerships abroad and to foster a richer and more diverse culture in Australia. Similarly, universities also have a crucial role to play in terms of providing opportunities for soft diplomacy with research missions, which should not be overlooked.

UNE encourages the Panel to consider as priorities:

- the development of a more comprehensive, whole-of-government approach to an international higher education system;
- the potential role of online and hybrid delivery for international students; and
- a model of co-investment to develop new international markets.

7. Delivering new knowledge, innovation, and capability

The inclusion of the university research system in the scope of the review ensures a balanced focus and means that the outcomes will be representative of all the drivers across the university system. It is pleasing to see that this component of the review will synchronise with the ARC review in a joined-up approach. The role of research, including public funded research, in boosting Australia's economic, environmental, social and health wellbeing is major. Research leads to the development of solutions to problems, new inventions, attraction of talent, direct and indirect employment, improvements in education and skills attainment, exports, new and more productive industries and a better-informed community.

UNE is a leading regional research institution and continues to deliver impactful research in a range of fields but with particular excellence in areas of global significance such as food security and production, climate change, natural resource resilience, health, and culture. UNE, like all regional universities, also seeks to undertake research that strives to address problems and explore opportunities within our region. However, economies of scale in the region are limited in terms of undertaking and funding research.

Communication and engagement with industry and community in respect to these benefits to society and the natural environment and economy, and the impact of research must be core to policy moving forward. Coordinated, multi-stakeholder engagement through the Accord process (including learned societies, peak bodies and industry associations involved in research) could assist in communicating the importance of publicly funded research to Australia and building a strong nexus between stakeholders.

The major priority for the Panel, outside of existing reviews is to focus on developing a future university research system that supports excellence across the diverse research mandates of all institutions, recognising regional barriers, to ensure that the system remains world class.

Please do not hesitate to contact me should you wish to discuss any elements of this submission further.

Yours sincerely,

A handwritten signature in blue ink that reads "Simon Evans". The signature is written in a cursive style with a blue dot above the letter 'i' in "Simon".

***Professor Simon Evans
Interim Vice Chancellor & CEO
University of New England***