



Charles Sturt
University

Universities Accord – Response to discussion paper

11 April 2023

Office of the Vice-Chancellor
Charles Sturt University

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11 April 2023

Professor Mary O’Kane AC
Chair, Australian Universities Accord
Department of Education
GPO Box 9880
Canberra ACT 2601

Dear Professor O’Kane

Universities Accord discussion paper

Charles Sturt University welcomes this opportunity to provide feedback on the discussion paper for the Australian Universities Accord.

As Australia’s largest regional university and one of its largest providers of online education, Charles Sturt University has an essential role in boosting higher education participation and attainment, not just in regional NSW but across the country. Through award-winning student retention programs, we are making sure that more students from disadvantaged backgrounds can succeed in their chosen field of study. And as a university with consistently high ratings for student satisfaction, employer satisfaction, graduate employment and graduate starting salaries, Charles Sturt has shown again and again that it can meet career aspirations and workforce needs, especially in regional areas.

Charles Sturt University’s purpose and guiding principles are encapsulated in a Wiradjuri phrase, *yindyamarra winhanganha*, meaning ‘the wisdom of respectfully knowing how to live well in a world worth living in’ – underpins everything we do. It is about creating a world worth living in through quality teaching and learning, research with societal and economic impact, a vibrant and rewarding student experience, and community engagement, social responsibility, and sustainability initiatives.

Recent experience, including during the COVID-19 pandemic, has shown that students, employers, and the wider community are ready to embrace new and more flexible approaches to learning and training, to developing foundational knowledge and skills or building on them. Unfortunately, the pandemic also exposed vulnerabilities in Australia’s economy, social fabric, and education systems: long and easily disrupted supply chains, a dependence on migration to meet workforce and skills shortages, the disruptive effects of marginalisation inflamed by misinformation, and, for universities, the cumulative effects of underfunding of teaching and research, poor understanding of the costs of both, and policy settings that emphasised the private benefits and commercial potential of university education and research over public good and intrinsic value.

The Accord can lay the foundations for a more adaptable and sustainable higher education system and can also confirm universities’ part in dealing with other challenges, not just in driving economic transformation and the transition to a carbon neutral economy, and providing the teachers, engineers, medical professionals and other skilled workers Australia needs, but in building a more inclusive nation with a well-informed, scientifically and technically literate citizenry.

The renewal of Australia’s higher education system is a project of years, one involving an on-going conversation, repeated consultations, and careful testing, evaluation and improvement of different ideas and different models. Charles Sturt University is therefore pleased to see that the process mapped out by the Accord panel includes a ‘testing and wargaming’ phase later in 2023. We hope this will provide universities with an opportunity to more fully explore the emerging ideas from the Accord, to ensure this



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is not another piecemeal or limited plan as many policy engagements with the higher education sector have been in recent years.

This submission in response to the Universities Accord discussion paper includes examples of successful initiatives at Charles Sturt that improve student retention and attainment, especially for students from disadvantaged backgrounds, meet the needs of regional communities and employers, drive innovation in key industries, and support national priorities, any of which could serve as a model for the Accord panel and other universities. More importantly, this submission responds to many of the big questions in the discussion paper, with a focus not only on increased funding but on fairer distribution and more effective use of current funding. This in turn will require an emphasis on evaluation, whether in relation to backing things that work or trying something new.

A key goal is to make sure the Accord is an ongoing arrangement. Charles Sturt University therefore recommends the establishment of an advisory mechanism that can carry on the conversation with the higher education sector and its stakeholders, and instil in Australian university policy, funding, management, and operation an appetite for experimentation, innovation, and application – and an eagerness to keep asking, and trying to answer the big questions.

Thank you again for this opportunity. The students and staff of Charles Sturt University look forward to the next stages of the Accord process, which we hope will see members of the Panel and their team in the Department of Education visit one of our campuses to see how regional universities strive, every day, to create a world worth living in.

Yours sincerely

A handwritten signature in cursive script that reads "Renée Leon".

Professor Renée Leon PSM
Vice-Chancellor and President



Recommendations

1. Deal with the immediate challenges in higher education funding by:
 - reforming JRG funding arrangements, as recommended by Universities Australia and others,
 - including regional loading on all funding for regional universities,
 - providing greater flexibility as to how universities use net public funding within the scope of a funding agreement or compact, and
 - the introduction of multi-year funding agreements.

Higher education aspiration, access and attainment

2. Measurable national, regional and institution-specific targets for boosting participation and attainment by specific equity cohorts.
3. Student support services to be funded on a per capita rather than EFTSL basis (per the recommendation by the Regional Universities Network).
4. Uncapped funding for enabling programs (per the recommendation by the Regional Universities Network).
5. A guaranteed CSP for equity students who successfully complete an enabling program.

The role of and need for comprehensive regional universities

6. The Accord framework and Australian Government policies and funding for higher education should include explicit recognition of the role and importance of comprehensive regional universities as part of a diverse higher education system.
7. Funding arrangements resulting from the Accord process should acknowledge and support universities' social, cultural and economic roles beyond teaching and learning.
8. Future allocations of CSPs and other funding should be determined in part by needs, gaps, and shortages, rather than past allocations.

Regional research and innovation

9. Funding arrangements resulting from the Accord should include targeted funding for research, research training and research infrastructure at regional universities.
10. A review of Australian research and research funding should be conducted as a first step toward the development of a national research strategy.

Community and industry engagement

11. Greater flexibility in the use of the National Priorities and Industry Linkages funding to support a wider range of engagement activities, within the scope of a funding agreement or compact and as part of a new multi-year funding framework.

The future

12. Establish a framework for on-going consultation and periodic reviews to continue the work begun by the Accord, monitor its implementation, and provide advice to government, universities, and other stakeholders.
13. As part of a broader framework that encourages collaboration rather than competition, support the development of a federation regional higher education system.
14. Revisit the relationship between state and territory governments, their universities, and the Australian Government.



Response to Universities Accord discussion paper

About Charles Sturt

Charles Sturt is Australia's largest regional university. In 2021¹ the University recorded more than 40,000 students and approximately 2,000 full time equivalent staff. We are a unique multi-campus institution based in some of New South Wales' most vibrant regional communities. We have campuses in Albury-Wodonga, Bathurst, Canberra, Dubbo, Goulburn, Orange, Port Macquarie, and Wagga Wagga, all with strong connections to surrounding rural and remote communities.

Such is part of the standard description of the University that Charles Sturt uses in submissions to government reviews, inquiries, and consultations. For the purposes of the Accord, some additional contextual information would be helpful.

Charles Sturt is twice as large as most other regional universities (our colleagues at the University of Southern Queensland have slightly more than half as many students). In terms of enrolment numbers, Charles Sturt is roughly equivalent in size to UTS, Swinburne, and Macquarie, and larger than La Trobe, Wollongong, the University of South Australia or Newcastle.

Notably, we have fewer full-time equivalent staff than those universities – we are more on par with Flinders, James Cook, Edith Cowan, or Wollongong in that regard.

According to Department of Education finance data, Charles Sturt University's total revenue in 2021 was also significantly larger than that of other regional universities, but lower than the revenues of universities with similar student populations, and slightly lower than the median for the public higher education sector – a reflection of different course and student mixes, certainly, but of other factors that will be explored later in this document.

With six main campuses and a presence in both Canberra and Goulburn, Charles Sturt is one of only a handful of genuinely multi-campus universities in Australia – that is, universities that have operated since their foundation across multiple locations. Our geographical footprint is exceeded only by CQUUniversity, although unlike CQU and many other universities, Charles Sturt is required by state legislation to have 'major campuses' in specific locations: Albury, Bathurst, Dubbo, and Wagga Wagga².

So, to re-contextualise, Charles Sturt University is, in Australian terms, a mid-size university by most measures. What makes Charles Sturt different to comparable universities is that it is based in and conducts almost all of its operations in regional Australia, and is indeed required to do so by its founding legislation:

The University has the following principal functions for the promotion of its object ... the provision of facilities for education and research of university standard, having particular regard to the needs and aspirations of the residents of western and south-western New South Wales³

These basic characteristics of the University – size, geography, and regional identity – make Charles Sturt all but unique in the Australian higher education system and inform this submission on the Australian Universities Accord discussion paper.

¹ The most recent year for which complete Department of Education data is available.

² *Charles Sturt University Act 1989 No 76*, as at 1 July 2021 –pt I s3 and ptII s6.

³ PtII s7(2)(a). Southern Cross University operates under a similar requirement, "having particular regard to the needs of the north coast region of the State".

Responding to the discussion paper

The Australian Universities Accord discussion paper poses questions covering almost all aspects of higher education. Charles Sturt University has elected to respond to these questions thematically rather than point-by-point, and to focus on four themes in particular:

- Higher education aspiration, access, and attainment,
- The role of and need for comprehensive regional universities,
- Regional research and innovation, and
- Community and industry engagement.

Addressing these themes will provide the basis for an exploration of the challenges and opportunities for Australian higher education over the next decade and beyond, including some of the 'bold ideas' sought by the Accord Panel.

1. Higher education aspiration, access, and attainment

This section responds to discussion paper questions 11, 15, 16, 22, 29, 30, 32 and 33

Higher education participation and attainment in rural, regional, and remote areas is still well below that in major metropolitan areas, many of which are served by multiple universities. This point is acknowledged in the Accord discussion paper, as is the limited success of the demand-driven system in improving higher education participation and attainment across many equity cohorts. Notably, under the demand driven system regional universities still performed better at boosting participation by disadvantaged students than their metropolitan counterparts.

Students from rural, regional and remote areas face higher costs for participation in higher education than their metropolitan counterparts, a fact that has been recognised in public policy and funding over decades, resulting in initiatives such as travel allowances under the Commonwealth Scholarships Scheme and AUSTUDY to the Tertiary Access Payment introduced as part of the Australian Government's response to the National Regional, Rural and Remote Tertiary Education Strategy (the Napthine Review).

The students who overcome these barriers display very different characteristics to their contemporaries from metropolitan areas. For example, according to the information collected by the Good Universities Guide, 23 per cent of the domestic students at Charles Sturt University are from low socioeconomic or otherwise disadvantaged backgrounds, and 44 per cent are the first in their family to go to university⁴. Our own data shows that 40 per cent of the University's students are from regional, rural or remote locations (compared to a sector average of 24 per cent) and 3.4 per cent identify as Indigenous (compared to a sector average of 2 per cent).

The pattern is similar at other regional universities, who are generally the recipients of the largest allocations under the Higher Education Participation and Partnerships Program (HEPPP). They have greater numbers and proportions of part-time, mature age, low SES background, first-in-family, First Nations, and disabled students, and many belonging to multiple equity cohorts. These students often have carer and/or career responsibilities that impact their studies. In too many cases they have come from under-resourced schools lacking qualified teachers in maths and sciences.

Rural, regional, and remote students also face an obstacle to education participation and attainment that their metropolitan counterparts cannot imagine. Consultation on almost any issue affecting regional areas –

⁴ <https://www.gooduniversitiesguide.com.au/course-provider/charles-sturt-university/ratings-rankings/undergraduate>



health and education services, business profitability and sustainability, building viable communities – will quickly focus on poor connectivity as a chronic problem. Limited access to fixed line or mobile communication and data services in regional areas means that many rural, regional, and remote students come to university with underdeveloped digital skills, exacerbating other disadvantages. It also makes some key national priority projects, such as the expansion of renewable energy generation, harder and more expensive to achieve.

All of these factors lead to concomitantly greater need for and use of student support services at regional universities. Keeping students at regional universities and helping them succeed is as great a challenge as getting them there in the first place. Both take deliberate, targeted and sustained efforts, and dedicated resources.

Retention @ Charles Sturt – a case study

Retention @ Charles Sturt was developed to build a culture of student retention across the whole of the University by encouraging the sharing of ideas, data and other resources. The program is funded from Charles Sturt University's HEPPP grant (a total of \$3 million to date over four competitive internal rounds) and involves three main elements:

- (1) best-practice transition pedagogy in school-to-university transition programs, including professional development for academic staff,
- (2) outreach support for potentially disengaged students – for example, who do not submit an early assessment item, and
- (3) embedded tutor support in key first-year subjects, an approach that makes tutors with subject-specific knowledge available for one-on-one appointments with students.

The program also involves continuous evaluation with the results fed back into the next cycle. The team involved have become highly accurate in identifying disengaged students and in developing innovative methods of providing support for students who might otherwise fail or withdraw. A key part of the program is connecting with students before the census date, to ensure they do not accrue unnecessary HECS debt.

Since the Retention @ Charles Sturt program began in 2017, the progress rate for commencing on-campus undergraduate students has increased more than four percent to an all-time high of 90 per cent (the figures for online students are more than nine per cent and more than 81 percent, respectively). The program has had a particularly strong impact on progress rates for students from equity groups and those entering university from VET. Overall, the progress rate for commencing undergraduate domestic students at Charles Sturt University now exceeds the benchmark for other members of RUN.

The program has resulted in very positive feedback from students and academic staff, and from experts in university pedagogy. It has led to peer-reviewed publications and media coverage, grant funding, adoption by other universities, and various acknowledgements and awards including, most recently, a 2022 Australian Award for University Teaching award for Programs that Enhance Learning (Student Experience That Supports Diversity and Inclusive Practices).

The success of Retention @ Charles Sturt demonstrates that carefully designed programs, targeted at in-need students (and developed for their needs) can have a profound impact on student retention, progress, and success. When combined with other student support measures, including financial support, they are an essential part of any strategy to broaden participation in university education.



Implications for the Accord

If the Accord is to boost higher education participation and attainment by underrepresented cohorts it must include **measurable targets backed by demographic data**. These targets may **vary from institution to institution**, but they should require some level of effort for the universities involved: an easily achieved target is of little value⁵. Charles Sturt University endorses, as a starting point, the RUN goal for regional areas to achieve the same level of higher education access and attainment as metropolitan areas.

And these efforts must be backed by funding – not as a performance measure, awarded after the fact, but as an up-front investment in recognition of the costs involved, and provided with a rationale similar to that underpinning HECS-HELP, and indeed the decision to undertake a university education: an investment now that might take some years to pay off.

Charles Sturt University supports the proposals put forward by RUN (in its submission on the Accord) for **uncapped funding for enabling courses**.

Well-designed enabling programs have generally proven to be effective in boosting disadvantaged students' progress to and retention in university study⁶. Ideally, such programs should be fee-free or covered by income contingent loans, to remove at least one of the barriers to participation. Some enabling programs offered by Charles Sturt and other universities provide an AQF-recognised diploma on completion, an outcome consistent with proposals in the latest Productivity Commission report on productivity⁷ and which could be made a standard for all enabling courses. The Department of Education and any other agencies responsible for the future of the Accord could also work with universities to upgrade enabling programs into for-credit programs – that is, they would provide students with credit towards a degree.

Charles Sturt University suggests further that **students from defined equity cohorts who successfully complete an enabling program should be guaranteed a Commonwealth Supported Place (CSP) for subsequent university study**. These CSPs could be allocated separately to those covered by a university's maximum base grant amount, potentially through the Indigenous, Regional and Low SES Attainment Fund (IRLSAF) though this should be done in conjunction with a reconsideration of the per-student funding involved in recognition of the need to focus on quality and outcomes, rather than encouraging providers to deliver the programs 'on the cheap'.

The advantage of this approach is that it would encourage universities looking to grow enrolments beyond their 'cap' to prioritise disadvantaged students and take steps to improve the chance that they will succeed at university. With appropriate planning, informed by demographic data and relevant information from universities, this approach would also be less costly than blanket uncapping of places for equity students, and potentially lead to higher levels of participation and attainment.

Charles Sturt University also supports RUN's proposal for **funding for student support services to be provided on the basis of headcount rather than EFTSL**. Part-time students can need as much support as their full-time colleagues, often outside standard business hours, and neither their use nor the cost of providing those services can be calculated in fractions. Further, allocations from the Higher Education Participation and Partnerships Program (HEPPP) are calculated in part on the basis of total national student load for various equity cohorts, meaning per-student funding for those from disadvantaged backgrounds actually decreases as participation increases. These and other unintended outcomes of current funding arrangements for student support services will need to be addressed if the Accord is to have a meaningful impact on equity students' participation and attainment. Finally, these services need to be funded and

⁵ The Innovative Research Universities group has made [similar proposals](#).

⁶ National Centre for Student Equity in Higher Education, [Equity implications of non-ATAR pathways: Participation, academic outcomes, and student experience](#), 2022

⁷ Productivity Commission, [5-year Productivity Inquiry: From learning to growth](#) (Inquiry report – volume 8), Recommendation 8.13

structured in a way that supports students through the whole of their university education – not just at points of transition or crisis. A whole-of-cycle approach to student support would also help provide those about to graduate with information and advice about career options.

As always, it is essential that any initiatives to boost participation and attainment are given time to work and are subject to proper evaluation.

Other opportunities for action through the Accord include:

- a new higher education infrastructure funding program, with one of its objectives being new and upgraded infrastructure to facilitate access for under-represented cohorts (e.g. improving access for students with disabilities, culturally appropriate learning spaces, off-campus study spaces for remote students?),
- school level programs to inform students about their future study options, boost higher education aspiration among under-represented cohorts, and develop students' interests in careers in areas of national and regional priority and need,
- developing a national framework for recognition of prior learning, to support movement between the private and public VET and higher education systems, and
- ensuring better overlap and integration between state, territory and Commonwealth initiatives to meet workforce shortages (e.g. free TAFE places, HECS waivers, scholarships etc.),

Each of these issues would require close cooperation with state and territory governments.

2. The role of and need for comprehensive regional universities

This section responds to discussion paper questions 2, 7, 34, 35, 45, 46

The Accord discussion paper acknowledges some characteristics common to all regional universities. The submission from the Regional Universities Network (RUN) – to which Charles Sturt University, as a member, has contributed – explore those characteristics in some detail. For the purposes of this submission, they can be summarised as follows:

Regional universities have a vital educational, social, cultural, and economic role in the regional communities and areas they serve. This encompasses them being major employers and major users of local goods and services. They are highly visible symbols of the possibility – the option – of a university education, and their presence in major regional centres makes that option more achievable for students who would otherwise face the high costs and social dislocation of moving to and living in metropolitan centres or might be deterred from pursuing higher education altogether in the face of those barriers. Research for the NSW Department of Education shows the impact of these barriers: 40 per cent of students interviewed for the project said they were reluctant to move away from family and friends to study, 43 per cent said they were unclear about their options, and more than half cited various financial concerns⁸.

Charles Sturt University's School of Rural Medicine, based at our campus in Orange, is a testament to the importance of providing higher education where the students are. Every year the program has been running the University has received more than 20 applications for each available Commonwealth Supported Place. Almost all the applications come from students in rural, regional, and remote areas, showing that they want to be able to pursue a career in medicine without leaving behind the support of their families, friends, and communities.

⁸ NSW Department of Education and the National Centre for Student Equity in Higher Education, [Regional Transitions to University](#), 2021



Regional universities also have strong ties to their communities and to local and regional employers, schools, government and public sector organisations, and others. They are actively involved in all dimensions of community life: they host and sponsor local and regional events, provide services like health and dental clinics, and have a strong presence in regional media. In general, their importance to their local communities is much greater than that of their metropolitan counterparts.

An increasingly important part of their role is the education and training of the workforce for a wide range of regional industries and professions, many experiencing chronic workforce shortages. Indeed, universities' role in meeting skills and workforce needs, and in driving economic activity and productivity, has come to dominate public debate about higher education policy and funding in Australia, at the state and federal levels. The Accord discussion paper recognises this dimension of universities' roles, while noting that it is only part of their purpose and value.

Regional universities have in common with metropolitan universities a role in producing skilled graduates for careers in a wide range of fields, albeit with the critical difference of regional universities' focus on meeting regional workforce needs. A key datum relating to regional universities' supply of skilled graduates is the high proportion of graduates who go on to work in regional areas. For Charles Sturt University this figure is at least 65 per cent, and as high as 75 per cent, depending on the course. Conversely, few graduates of metropolitan universities take up careers in regional areas after graduation, and fewer still stay long-term.

Regional and Country University Centres can help to meet the education aspirations of people in smaller regional centres and provide a pipeline of skilled graduates into the local and regional workforce, and they will continue to perform an important function in future – but they do not provide the same social, cultural or economic boost as a comprehensive regional university, either for their students or the towns where they are located.

Finally, regional universities undertake research in a wide range of fields and across the whole spectrum from basic or fundamental research to the development and commercialisation of new products and technologies. Much of the research at local universities is undertaken in partnership with other research organisations, public sector agencies, and local employers. At Charles Sturt University these partnerships include major firms like Transgrid and IBM, regional health care providers like Marathon Health, and state and federal public agencies like the NSW Department of Primary Industries and Border Force.

Research at the University contributes to major national projects like Snowy Hydro 2.0, but it is also often focused on local problems and challenges: improving productivity for regional producers, better care in regional nursing homes, environmental management, or Indigenous health and education. This is research that depends on local knowledge and local partnerships, and is well below the radar of the large, metropolitan universities. Indeed, while some universities headquartered in metropolitan areas have campuses in regional areas, those campuses tend to be very specialised (e.g. rural health training centres) and undertake little or no research.

Implications for the Accord

Regional Australia is home to more than nine million people and accounts for roughly one-third of the national workforce. It generates about 40 percent of the nation's economic output but has contributed more since the global financial crisis, highlighting the ability of our regions to lead national recovery after hard times. Regional Australia is also at the forefront of productivity in more than one third of our industries, including healthcare and logistics. Yet higher education participation and attainment in regional areas still lags behind metropolitan areas – an important point noted in the Accord discussion paper – and there are significant and chronic workforce shortages in many key professions: health, allied health and medicine; education; agriculture; veterinary services; engineering and IT.

For example, the *Down to the Wire* report published by Business NSW in July 2022 – subtitled 'Managing the upcoming infrastructure workforce crunch in Riverina Murray, New South Wales' – examines the



“unprecedented” pipeline of more than \$20 billion in infrastructure projects planned or under way in southern NSW. Six key projects, including Snowy 2.0, Inland Rail, and several major energy projects “will require more than 5000 workers during their construction phases”. Unfortunately,

The region is already experiencing significant skills and labour shortages, with online job advertisements having more than doubled compared to pre-COVID levels. In April 2022 there were more than 2500 vacancies advertised online, at the same time as low unemployment in the region of around three per cent⁹.

While the Business NSW report acknowledges regional universities will have a critical role in training the skilled workforce for these projects – and supporting them in other ways; the report mentions several partnerships with Charles Sturt University – it also notes that the full scope of the projects’ workforce needs cannot currently be met by regional universities:

neither civil, mechanical nor electrical engineering is offered at either Charles Sturt University (Albury campus) or Latrobe University in Wodonga. Currently people interested in this field must move to another region to study, which comes at a cost and increases the likelihood of them permanently moving away from the region¹⁰.

In response, Business NSW recommends that:

The new Regional Infrastructure Coordinator General should, in partnership with the Regional Education Commissioner, urgently review education and training courses available in the region ... in consultation with local universities ... with a view to ensuring local education and training offerings are available for the community to develop in-demand skills¹¹.

It is, then, unlikely that on-going workforce shortages in regional areas can be met without a steady supply of graduates from comprehensive regional universities – and, as noted by Business NSW, this might even require expansion of the courses available at regional universities.

To be sure, migration also plays a part in meeting these needs, as does VET or TAFE and Regional and Country University Centres. Even metropolitan universities have a role in meeting regional workforce needs, although it is hard to imagine they could have a significant impact without potentially costly policy interventions such as scholarships, bursaries, and HECS waivers or payments dependent on working in regional Australia post-graduation. And while students should always be free to study at the university of their choice, for regional communities and employers the biggest risk of depending on metropolitan universities for their workforce needs is they see many more students leave than graduates come back.

The surest and arguably most cost-effective way to make sure that regional communities can enjoy the same level of cultural, social and economic opportunities as the rest of Australia is to not just to maintain comprehensive regional universities but to build on their capabilities and the range of courses, facilities and opportunities they offer. At Charles Sturt University the primary constraint on the ability of essential programs like our degrees in medicine and dentistry to meet current and future workforce needs is not student demand but resourcing, the result of caps determined in part by professional bodies and public policy and funding settings based on historical patterns rather than current or future needs. The same constraints affect the University’s ability to provide professional placements for some students, or to develop an engineering program – with its associated high set-up and delivery costs – that meets regional needs.

If one of the most important roles of universities is – or is to be – meeting workforce needs and addressing skills gaps and shortages, the **future allocation of Commonwealth Supported Places and other funding, especially for infrastructure and support services, will need to be based in part on where needs, gaps and shortages are** (and have been for some time) and will be, rather than letting CSPs and funding flow to the places they have always gone. This is even more important if universities’ workforce supply role is to include more work-integrated learning, internships and hands-on experience, and more people working in

⁹ Business NSW, [Down to the Wire](#), p13

¹⁰ [Down to the Wire](#), p27.

¹¹ [Down to the Wire](#), p29.

their chosen profession while studying. And it's an approach that will also help boost higher education participation and attainment among people living in regional, outer urban and peri-urban areas.

Other avenues for action through the Accord include:

- working with state and territory governments and professional associations to enhance student placements, including:
 - better coordination of compulsory placements, ensuring all students have access to a wide range of opportunities,
 - arrangements to ensure that the cost of such placements is not an obstacle for students,
 - engagement with industry to remove obstacles that might discourage private sector employers from taking on students, especially for clinical placements, and
 - developing a partnership approach to student placements, for example via industry involvement in instructional design and delivery.
- commissioning work by industry and professional associations and higher education and research peak bodies to design the courses of the future, which could include a framework for feedback from industry innovations into course design,
- develop an incentives-based approach for industry engagement in university education and research programs and encourage them to view such engagement as a routine business activity, and
- initiatives to ensure that national priority projects include opportunities for regional students, communities, and industries.

As noted in the discussion paper, though, there is more to the role of universities – and particularly regional universities – than skills and training. Their social and cultural (and wider economic) roles are also important, helping to create resilient, sustainable, and liveable communities and well-educated, well-informed, healthy, and globally conscious citizens. And regional universities underpin regional research and innovation, often in direct partnership with communities and employers, an issue considered in the next section.

3. Regional research and innovation

This section responds to discussion paper questions 23, 24, 25, 26, 27, 41 and 46

Research is a fundamental part of Charles Sturt University's identity and mission. The University's roots stretch back to the establishment of the Wagga Experiment Farm in 1892. A few years later it also became a teaching institution, and, in time, an agricultural college (1948), a research institute (1954) and eventually part of the University. As noted above, Charles Sturt University was charged from its foundation to undertake research "having particular regard to the needs and aspirations of the residents of western and south-western New South Wales".

Current research at the University encompasses many fields, including, for example:

- an ARC-funded project on wellbeing-focused sport training,
- an NHMRC-funded field trial of a vaccine to prevent the transmission of schistosomiasis from cattle to humans,
- captive breeding of endangered native fish species,
- computational modelling of fluid flows to predict the path of cyclones,

- NHMRC-funded research into ethical, legal, and social issues in the management of medical datasets,
- producing low-emissions concrete,
- socialisation of children in long day care, and
- world-leading research in speech pathology.

Charles Sturt University's Professor of Speech and Language Acquisition, Sharynne McLeod, is Australia's most highly cited researcher in the field. She is a Fellow of Australian and US academic bodies, has been invited to give keynote presentations at international conferences, and serves on the editorial board of high-impact journals, and has been a member of Australian and international boards and committees. Professor McLeod's research focuses on children's speech acquisition and the prevalence and impact of childhood speech sound disorders, with the outcomes contributing to speech and language education, public policy, and service delivery.

Charles Sturt University has achieved these successes despite higher education research funding policies and programs that favour large metropolitan universities. Most of Australia's current university research funding arrangements are based on track record and other trailing indicators, volume, and, increasingly, capacity to attract income from non-government sources. For more than a decade, policy settings have favoured competition over collaboration, with a steady shift to project-focused competitive grant programs and away from research block grants. The latter offer some funding certainty over time, provide support for research infrastructure, capacity building, and the ability to respond to emergent challenges and opportunities, as well as covering the gap between competitive grant funding. Competitive grants, on the other hand, consume a significant amount of researchers' and universities' time and resources in application processes, with increasingly uncertain outcomes. They also require significant investment of public sector agencies' time and resources in assessing applications.

Short-term funding horizons, underfunding of projects, lack of funding for research infrastructure, and the need to expend time and effort chasing such funding as is available are all conditions that favour universities able to subsidise their research activities with income from other sources, such as endowments, legacies, and the income from international student fees – in other words, the sandstone universities in the nation's capitals. Further, the policy and funding settings for public funding for research mean that basic or 'blue sky' research – especially in the humanities and social sciences – is increasingly concentrated in these universities, leading to a lack of diversity in the perspectives brought to bear on fundamental questions – a situation that does not bode well for the Australian Government's hopes to embed First Nations knowledge and knowledge systems in the nation's research system.

Regional universities have been disadvantaged by this steady shift in public funding from basic to applied research and an emphasis on partnering with industry and commercialisation of research. In its latest report on productivity the Productivity Commission notes the problems with a focus on commercialisation:

In fact, the channels for knowledge transfer are considerably broader, including not just commercialisation activities, such as IP licensing and academic spin-offs, but also knowledge transfer through labour mobility and consulting, as well as spillovers from conferences and networking ... The importance of these channels can differ across fields of research, types of institutions and sectors, as certain kinds of research and types of knowledge are better suited to specific transfer activities ... Moreover, being overly focussed on measures that only capture a single channel of knowledge transfer may miss other types of knowledge transfer and can fail to support the relative strengths of different institutions. For example, regional and technical universities report



valuing their ongoing relationships with firms and industries as a pathway for students, joint research and collaboration over more traditional commercialisation activities.¹²

Notwithstanding Charles Sturt University's industry partnerships mentioned above, like other regional universities we operate in areas with relatively few large firms and even fewer innovation-active firms, limiting the number of potential partners, the amount of direct investment we might be able to attract, and the co-investment required for many public funding programs. A focus on commercialisation-ready research and on measurable research outcomes like patents, licenses, and options also shifts attention away from other forms of knowledge transfer such as the translation of research fundings into professional and clinical practice – a far more useful form of knowledge transfer in an economy, and in regions, dominated by service industries.

Implications for the Accord

While striking the right balance between investment in pure versus applied research is outside the scope of the Accord, there are actions the Panel could recommend that would establish a more equitable basis for the distribution of funding for university research and ensure that regional universities have the capacity to deliver new ideas that benefit regional communities, industries, and the nation as a whole.

Regional universities have benefited from two targeted programs intended to boost their research capabilities. The Collaborative Research Networks (CRN) program, announced in the 2009-10 Budget, awarded just over \$81 million for 16 projects at 14 “smaller and regional” universities – primarily the latter. A program evaluation conducted by ACIL Allen Consulting for the then Department of Education and Training found that the program had been effective in achieving short-term objectives including improved collaboration within and between universities, increased research capability and skills, expanded partnership networks, and more publications, grant applications and HDR students¹³. However, the program only ran for two rounds and was not renewed by the Government despite representations by RUN and the universities involved. There has been no evaluation of its long-term impacts.

More recently, in 2020 the Australian Government established the Regional Research Collaboration (RRC) program as part of its response to the Napthine review. The RRC program has similar objectives to CRN, and in fact uses almost identical guidelines, though the newer program is also intended to help develop regional industries in keeping with broader government objectives. To date the RRC program has also run two rounds and distributed most of the \$66 million allocated to the program in the 2020-21 Budget. The program has not yet undergone a formal evaluation and its future is unclear.

The evaluation of the CRN program indicates that targeted programs to bolster research capabilities at regional universities can have the desired effect, ensuring that they are able to meet the research needs of regional communities and industries, contribute to the national research effort, and meet regional and national goals.

Protecting native species and building international relationships – a research case study

As part of the nation-building Snowy Hydro 2.0 project, Charles Sturt University is working with Snowy Hydro Limited to solve problems related to biodiversity and biosecurity.

Snowy Hydro has engaged the Gulbali Institute, a CSU research institute specialising in agriculture, water and the environment, and the NSW Department of Primary Industries, to perform a series of simulation experiments to determine the likelihood that fish will survive the journey through the hydro-power scheme. These experiments, a series of tolerance experiments on various species, were conducted in a new purpose-built hydropower simulation laboratory at CSU's Albury-Wodonga campus.

¹² Productivity Commission, [5-year Productivity Inquiry: Innovation for the 98%](#) (Inquiry report – volume 5), p50

¹³ ACIL Allen Consulting, [Mid Term Programme Evaluation – Collaborative Research Networks](#), April 2015



The research is breaking new ground and cuts across engineering, ecology, and manufacturing to protect the biodiversity of the Snowy Mountains system. The outputs of this work are being incorporated into the final design and operational strategy of the Snowy 2.0 system. Research spillovers from the project have applications in inland aquaculture and riverine ecosystem management.

The University's work with Snowy Hydro project is linked to a DFAT-funded initiative to minimise the potentially harmful impacts of dams on the productive fisheries of the Mekong River Basin. Nine large hydropower dams will be constructed on the mainstem of the Mekong River in Laos, and two more are planned in Cambodia. While dam construction will bring benefits to local communities through job creation, and the supply and export of electricity, there are potentially major impacts on food security and the livelihoods of tens of thousands of people dependent on the river and the Lower Mekong Basin's productive fisheries. The Lower Mekong Basin fishery has an estimated annual value of A\$22.4 billion but the dams could reduce this essential important source of food and income by as much as half.

A particular concern is the barrier effect of dam walls, which prevent fish migrations and access to vital spawning, nursery and feeding habitats. For example, Xayaburi Dam in Laos spans the entire width of the river, potentially blocking any fish migration. To address this problem the parent company has invested A\$395 million to incorporate fish passage facilities in the final design, a project of globally unprecedented scale and complexity. As a result of previous work with riverine ecologies and communities in the Mekong Basin, Charles Sturt University was invited to assess whether both the upstream and downstream fish pass facilities were performing as required. The findings from this evaluation are being used to provide operational advice to the company to optimise fish pass efficiency, and to inform recommendations to both Laos government and construction companies on optimal design specifications for future hydropower developments.

Charles Sturt University therefore believes there is a strong case for continuing RRC or a similar program that would support longer-term capability building and allow for investment in infrastructure. This would enable regional universities to continue to meet the research needs of regional communities and employers – needs that are unlikely to be met by metropolitan universities – and allow more regional students to pursue careers in research. Targeted research funding for regional universities would also help drive institutional differentiation and specialisation.

An alternative or complementary approach would be to require any large scale or national priority research project involving multiple partners to have at least one regional university involved, or to provide funding incentives for research-intensive universities that partner with a regional university. National priority projects should, after all, have national benefits, including for regional areas. The advantages of this approach are that is budget neutral, would place regional universities in a stronger position when negotiating partnerships with their metropolitan counterparts, and would ensure that major national research talents harness the capabilities of the best researchers around the country, wherever they are. It would have all the more impact in the context of policy and funding settings that favour collaboration over competition.

The bigger picture: Australian investment in R&D

A related issue for Australia's research sector is the increasing number of competitive research grant programs offered by the Australian Government and state and federal governments. Again, time and resources go into tracking these programs, preparing applications, ensuring one doesn't rule out applying for another, and submitting applications to different programs for the same or related projects in the hope of securing enough funding to proceed. A lack of coordination across governments means there is a high level of duplication of programs, even within the same tier of government.

In our submission on the Accord Terms of Reference, Charles Sturt University recommended the development of a national research strategy encompassing all levels of government, the private and not-for-profit sectors, universities, research agencies and independent research institutes, and with consideration of

both public and private investment in research. A necessary first step would be **a systemic review of Australian research and research funding**, especially as the Accord process and the review of the Australian Research Council will affect at most one-third of Australian Government investment in research, and an even smaller proportion of total national investment. It is essential that such a review should include private sector R&D, including the scope and scale of such activity and the factors that encourage or inhibit private sector investment.

The aim of the review and the strategy would be to improve coordination and reduce duplication so as to make better use of public and private investment; develop progressively more ambitious goals and targets for Australia research, including infrastructure and the research workforce; strike the right balance between pure or basic research and applied research; and boost investment in research – especially Australia’s notoriously and chronically low levels of private sector investment.

Higher education and research peak bodies including the Australian Academy of Science¹⁴ and the Group of Eight¹⁵ have made similar proposals, and Charles Sturt University hopes the Accord Panel will do likewise.

Other opportunities for action through the Accord include:

- a major revision of the Higher Education Research Data Collection and its role in determining funding allocations,
- community and industry involvement in the development of a replacement for Excellence in Research for Australia and Impact Assessment, and
- closer integration between state, territory and Commonwealth research funding programs, including the use of common data sets, guidelines, regulatory requirements (e.g. adherence to national codes), and evaluation frameworks.

4. Community, industry, and international engagement

This section responds to discussion paper questions 10, 13, 14, 23, 34, and 45

COMMUNITY ENGAGEMENT

Charles Sturt’s engagement with regional communities is extensive, and includes:

- providing small grants to community organisations for projects in five categories: arts and culture, sports development, education development, health and wellbeing, and environmental sustainability,
- the development and delivery of leadership programs for those working in local and regional government and community organisations,
- a visible presence at major regional events like Henty Machinery Field Days,
- a Community Engagement and Wellness Centre, providing podiatry, speech pathology and other allied health services to the Albury-Wodonga community, and
- Dental and Oral Health Clinics on our Albury, Bathurst, Dubbo, Orange, and Wagga Wagga campuses.

The University has particularly strong relationships with regional schools. The regional consultative committees for each campus include principals from local schools, many of which host teacher education students from the University during their practical placements. Charles Sturt University’s ‘Future Moves’

¹⁴ [Australian Academy of Science submission on the Australian Universities Accord Terms of Reference](#)

¹⁵ Group of Eight, [‘The Need for a National Research Strategy’](#), 27 March 2023.



HEPPP-funded program, which has been running for more than a decade, engages with around 14,000 K-12 students every year, in around 100 rural, regional, and remote high, primary, and central schools. The program includes in-school workshops, campus visits, and activities designed specifically for First Nations students to encourage them to consider a university education when they finish school. To date more than 100,000 students have participated in the program. An evaluation of the program carried out in 2107 showed that its activities “achieve immediate positive shifts in students’ aspiration to attend university and their perceived likelihood of getting into university.”¹⁶

The value and impact of Charles Sturt’s relationships with local schools and communities is demonstrated by the early success of the innovative Collaborative Teacher’s Aide Pathway (CTAP) program, developed in response to the needs of schools in the Orana region and with their cooperation. Launched in 2022, the program gives Teacher’s Aides, Education Aides, Aboriginal Education Officers, School Learning Support Officers (SLSOs), and other classroom support staff, the opportunity to develop their skills and upgrade their qualifications through a combination of formal instruction and in-classroom experience. As there are around 45,000 teacher’s aides and SLSOs in NSW alone, the program has the potential to help reduce the critical shortage of teachers in many jurisdictions. Participants can study online, full-time, or part-time. The first intake involved almost 200 participants from around the country, most of whom kept working in schools while studying. Funding from the NSW Department of Education has allowed the University to employ dedicated staff to manage the program and, more importantly, provide financial support for the students who need it.

Drought Hub – case study on industry and community engagement

Charles Sturt University is home to the Southern NSW Drought Resilience Adoption and Innovation Hub, established in 2021 and funded by the Department of Agriculture, Fisheries and Forestry. The Hub is a consortium of nine regional partners including primary producers, Indigenous, industry and community groups, researchers, entrepreneurs, education institutions, resource management practitioners and government agencies. It is a physical and virtual locus for user-driven innovation, research and adoption that facilitates transformational change through the co-design of a range of activities including R&D, research commercialisation and extension services.

The Hub is leading a variety of on-the-ground activities, with current projects focused on soil, water and pasture management. These projects involve a combination of on-farm education and demonstrations, hands-on training, workshops, modelling, and case studies, always with an emphasis on local and regional applicability. These activities are complemented by research projects on managing biosecurity risks, building more resilient communities, and promoting a cost/benefit approach to the adoption of new agritech solutions.

Partners in Drought Hub projects include other universities, agtech firms, government agencies, regional agricultural and community groups, and, most importantly, producers. The Drought Hub provides a direct pipeline from research and innovation to on-farm practice, ensuring the Riverina’s farmers have the knowledge and ability to adapt to changing environmental conditions.

INDUSTRY ENGAGEMENT

Increasing the links between universities and business, industry uptake of university research, and the number of innovation-active firms have been long-standing goals of Australia science, research, and innovation policies. In many ways these goals have been achieved. Industry input to course design and collaboration in research projects are now commonplace, as is, increasingly, work integrated learning and industry placements in many fields. Even a cursory trawl of universities’ web sites will show news items about industry partnerships or information on intellectual property available for licensing.

¹⁶ National Centre for Student Equity in Higher Education, [Higher Education Participation and Partnerships Program: Seven Years On](#), p9

This kind of engagement is also fundamental to Charles Sturt's character. The University was established with the intention that its teaching and research should benefit regional NSW, including regional industries, and our partnerships across the region are extensive. In addition to long-standing relationships with firms like Kellogg's and the Manildra Group, and industry associations like Meat and Livestock Australia, the University has in the past few years established new partnerships with Telstra, Transgrid, Marathon Health, IBM, Newcrest Mining, and global technology firm Axiom, which chose the Innovation Hub at Charles Sturt's Port Macquarie campus as the base for its expansion into the Australian market.

These partnerships encompass teaching and learning, input to course design, joint research projects, placement and post-graduation employment opportunities for students, co-location on the University's campuses, and shared use of laboratories and other facilities. Many of these industry partners share the University's ambition to improve opportunities for students from rural, regional, and remote areas, and for First Nations students. The Transgrid Engineering Scholarship Fund, for example, was established in 2022 with the largest private sector donation ever made to the University: \$2 million for around 100 scholarships. Newcrest Mining has made substantial donations for equipment for the School of Rural Medicine, including a new \$1.4 million medical simulation centre.

INTERNATIONAL ENGAGEMENT

Charles Sturt University's international strategy has three main aims: growing the number of international students on our regional campuses, providing a transformative experience for all our students, expanding the range of our international partnerships. In 2022 we had more than 400 international students studying on our regional main campuses, with the majority in Bathurst (34 per cent) and Port Macquarie (28 per cent). The bulk of the international students enrolled at Charles Sturt University (around 1400) are, however, studying offshore, either online or with delivery partners in Cambodia, China and Hong Kong. Our partnerships with some offshore providers stretch back more than 25 years.

The top courses for our international students, by enrolments, are nursing, IT, and dental science. The top five source countries are Nepal, India, Bangladesh, Pakistan, and Canada. Uniquely among Australian universities we also provide onshore and offshore training in policing (India) and, more recently, customs services (Saudi Arabia).

Charles Sturt University supports efforts by the Australian and NSW Governments to encourage more international students to choose to study in regional areas, and/or to work in regional areas after graduation. These initiatives will enrich the university experience of both international and domestic students. They are also vital for meeting regional workforce shortages, especially as part of a larger and longer-term strategy to bolster the regional workforce.

The University's international relationships also provide opportunities for domestic students to study, work, and travel in the region, too: in partnership with Nepal's Mitrataa Foundation and with funding from the New Colombo Plan, Charles Sturt University's students can spend three weeks working and teaching in schools in Kathmandu and the neighbouring regions, providing local students – especially women – with lessons in conversational English, IT, workplace health and safety, First Aid, and, at the Australian Rotary International sponsored Sindhuli Community Training Institute, civil engineering.

Research partnerships in the Asia-Pacific region include the Mekong River projects outlined above, crop productivity projects in Vietnam and Papua New Guinea funded by the Australian Council for International Agricultural Research, veterinary and animal health projects in PNG funded by the Department of Foreign Affairs, and emerging partnerships in Indonesia. Like Charles Sturt University's other partnerships across the region, these projects all help to build strong person-to-person and institution-to-institution relationships in the Asia Pacific and contribute to Australia's international relations and regional development priorities.



Implications for the Accord

At Charles Sturt and other universities, the kind of activities described above are started with, and in many cases primarily supported by, the institution's own financial reserves. Some may in time reach the point where they can be supported – in part, rarely *in toto* – with funding from other sources including state and federal government grants and philanthropy. The dependence on university funding means, though, that not all universities have the capacity to support the range of external engagement activities appropriate to their mission, and such activities are vulnerable to fluctuations in universities' financial positions.

External engagement is something all universities are expected to do, but it is not something they are directly funded to do, at least not in terms of the core operating grants from government. Universities have long called for a 'third stream' of public funding to support their community, industry, and international engagement activities, and with the introduction of the National Priorities and Industry Linkage Fund (NPILF) – and to a certain extent the Indigenous, Regional and Low SES Attainment Fund (IRLSAF) – this has finally been achieved, albeit in a very limited form. While this progress is welcome, there are some potential pitfalls with NPILF that make it a mixed blessing:

- Total funding for the program is relatively small – \$900 million over four years, according to the NPILF Pilot guidance document.
- Funding is awarded on the basis of CSPs, making NPILF another program that rewards scale rather than supporting need.
- The use of standardised and non-negotiable metrics may inhibit universities from undertaking engagement activities appropriate to their missions.
- The program does not involve a meaningful attempt at determining whether the funding is achieving the desired outcomes: during the transition phase universities are assessed primarily on whether their NPILF plan has been implemented, using a small number of case studies – an odd approach given the intent to use the assessments to determine future funding.
- As the program is currently in a pilot phase it is not yet clear whether it can be used to support the full scope of activities described above. This lack of clarity about the future of the program makes it difficult for universities to plan ahead (Charles Sturt University acknowledges this is an issue that depends on the outcomes of the Accord process).

If NPILF is to continue in some form post-Accord, Charles Sturt University suggests the program should be modified with broader objectives (a wider understanding of 'national priorities', perhaps), **more flexibility in the kind of activities it can be used to support**, and more meaningful evaluation. The primary goal of the evaluation of universities' use of NPILF funding should be to show that there are verifiable outcomes from their community, industry, international, and other engagement activities, whether that means more work integrated learning opportunities for students, an expanded schools outreach program, or new international partnerships, all depending on a university's mission and goals. Rather than the program having separate reporting and evaluation arrangements, the University suggests that these should form part of **a new, multi-year funding and evaluation framework**.



Challenges and opportunities

Regional universities face a variety of challenges, many of them shared with the communities they serve: shifting demographics, climate change, rising costs for energy, housing, and other essentials. The scale of these challenges will vary over time, but all are likely to persist.

For regional universities the core challenge is their higher base operating costs, even for basic activities like teaching and research. A 2021 report from the Melbourne Centre for the Study of Higher Education (MCSHE) and the Pilbara Group found that for regional universities these costs are up to a fifth higher than they are for metropolitan campuses. The same report also found that these higher costs could be attributed only in part to smaller enrolments/class sizes and a resultant higher cost per EFSTL¹⁷.

Regional universities are often described as operating in 'thin markets', a term usually signalling they are recruiting from a smaller pool of students than metropolitan universities, with many of their students displaying the characteristics mentioned above: first in their family to go to university and/or from First Nations, low socioeconomic or otherwise disadvantaged backgrounds. It also means, though, that regional universities operate in environments with less choice in local goods and services providers and therefore potentially higher prices, compounded by freight and other costs.

Many of these higher costs are borne by regional universities' students and staff, too. In recent years the increasing cost of accommodation in regional areas has also become a pressing issue. And as a multi-campus university Charles Sturt also faces additional costs in maintaining operations across several campuses and large distances. As the MCSHE-Pilbara Group paper points out:

regional campuses ... will need supplementary financial support if they are to operate effectively. This would mean that they can continue to deliver the social benefits accruing to a region from having a university campus. In addition to the multiplier effects on businesses and schools, other likely benefits include helping regional communities stay connected to advances in knowledge and the latest scholarship. This should be factored into the cost-benefit analysis of regional campuses, including determining the minimum enrolment size for subject viability.

This principle has long been recognised in higher education funding arrangements in the form of regional loading and other 'supplementary financial support'. While generally beneficial, regional loading does not adequately take into account the costs associated with operating multiple campuses (as is now the situation for most regional universities) and in particular those serving smaller regional communities).

Job-ready Graduates (JRG) has exacerbated the situation. While the regional loading arrangements in JRG allows a regional university's Maximum Basic Grant Amount (MBGA) to grow faster than is the case for metropolitan universities, it does not compensate for the additional per EFTSL cost of teaching in the regions. For regional universities this compounds some of the other problems created (or worsened) by JRG:

- per EFTSL funding does not cover the actual cost of provision, in many cases not even at the scale common to many metropolitan universities,
- the total quantum of funding for STEM subjects in particular has fallen, an outcome at odds with the package's stated intent to encourage greater uptake of STEM, and a decision that puts the long-term viability of many national and regional priority STEM fields in doubt,

¹⁷ MCSHE and Pilbara Group *Working paper: What does it cost to educate a university student in Australia?* (November 2021), p6-7



- caps on places for on high-demand, high-cost courses like medicine, dentistry and veterinary studies make these programs even more unviable, potentially aggravating workforce shortages in regional areas over time, and
- universities have less discretion in how they can use the funding provided under the MBGA, leading to even greater underfunding of research.

The Accord Panel could help address these challenges by recommending the following as short- and medium-term actions by government:

1. Immediate **reform of JRG funding arrangements**, as recommended by Universities Australia and others.
2. In line with the findings of the MCSHE-Pilbara Group paper, **provide regional loading on all funding for regional universities**.

Since regional universities and their staff and students spend most of their income in regional areas, this would provide spillover benefits for regional economies.

Regional loading on infrastructure funding would also provide additional benefits, as regional universities' infrastructure is also used by local schools, community groups, businesses, and public sector organisations.

3. Provide **greater flexibility as to how universities use net public funding** (MBGA + IRLSAF + NPILF + RBG) **within the scope of a funding agreement or compact**.
4. Provide greater certainty for universities, and their students and staff, through the introduction of **multi-year funding agreements**.

This would allow for strategic planning, particularly around regional and national priority activities, and, in conjunction with greater flexibility, potentially serve as an incentive for institutional reform and specialisation.

The bigger picture: the limits of competition

The Accord Panel could also recommend the introduction of incentives for greater collaboration between universities with similar missions or course profiles. Collaborative delivery of some subjects, for example, would help reduce costs by increasing scale, and so help maintain high priority courses and maintain a pipeline of skilled graduates in those fields. There is also the potential for more efficient use of resource through shared course administration and other operations.

The benefits of this approach are not limited to regional and smaller universities. Over more than 20 years policy and funding settings for higher education have increasingly favoured competition over collaboration. A plethora of different funding programs – for research, as noted above, for other activities, too – has seen universities expend more and more time on resources on the pursuit of funding for even the most basic of their functions, with no certainty about the outcome of their efforts – and even if they are successful the funding they receive often falls well short of what is needed. Combined with relatively static public funding, the result is a 'winners and losers' mindset in the sector, to the detriment of many public good outcomes.

In the face of rising costs and pressures on the public purse, it has to be asked whether a competitive approach to funding higher education is the most effective one. As universities must commit more and more resources to applications and reporting and evaluation, so too do the public sector agencies that administer the programs. And often the focus in government is on the next round, the new thing, the money-out-the-door media release, or the pre-Budget submission to keep the whole thing going, rather than making sure the programs are delivering the intended outcomes. Combining competitive programs or transferring the funding for them into outcomes-driven block grants may be a better way of ensuring that public (and private)



investment in higher education is producing the new graduates, new ideas, and new ways of looking at the world that the nation needs.

There is also scope to achieve greater efficiencies in how universities use public funding – and achieve better outcomes – by reducing the number of different programs involved. For example, Charles Sturt University's funding agreement for 2021-23 lists 11 funding streams for teaching and research, many with separate reporting and accountability requirements even when they are based on similar indicators (such as student load or CSPs). Some of the new programs introduced under JRG – notably NPILF and IRLSAF – are narrow in scope, with the latter on some analyses actually limiting the range of equity students eligible for support. And universities also receive funding through other Department of Education programs, other Australian Government agencies such as the ARC and NHMRC, and to a much lesser extent from state governments, again with different drivers and reporting requirements.

In relation to NPILF this submission has argued above that universities need greater flexibility in how the funding can be used if the program is to achieve its intended outcomes. There is also an argument for eliminating the program altogether, rolling the funding for NPILF back into the MBGA pool as a first step towards reducing the funding shortfalls created by JRG, especially for STEM subjects, and eventually reducing the number of separate programs.



A vision for the future: Australian higher education in 10/20/30 years

In many ways, the future of higher education is easily imaginable: a wider range of courses and qualifications, content available anywhere and at any time, greater integration between employers and higher education providers, and teaching, learning, and research enhanced by the use of artificial intelligence, augmented reality and virtual reality technologies, especially in 'hands-on' subjects. Technological and non-technological innovations – the latter including ideas like block teaching, stackable microcredentials, or a 'three semester' academic year – introduce the possibility of the traditional three- or four-year undergraduate degree being completed in less time, or even more, as part of an integrated 'working while learning' framework.

While some of these developments may seem inevitable, they still require forward planning and investment – uptake of AI, AR and VR technologies, for example, will require enabling infrastructure and, in regional areas, much better mobile and fixed line connectivity than is currently available. And each of the foreseeable innovations comes with caveats: looking again at AR/VR and related technologies, it remains to be seen whether these can help students develop the 'soft skills' consistently valued by employers. Fortunately, even in technologically enhanced education there is scope for physical campuses as places for students and scholars to meet, share ideas, learn from each other, and lay the foundations of the personal and professional relationships that will last for years to come (not forgetting, of course, that it's this kind of campus interaction that gave the world Apple and Google). For Charles Sturt and other regional universities, the future includes lively campuses that continue to serve as social, cultural, and economic hubs for regional communities.

More importantly, alongside the inevitable technical innovations we have to imagine the kind of universities we want to see, and that can only be created through conscious effort. A more equitable higher education – particularly one in which regional students achieve the same levels of access and attainment as their metropolitan counterparts – will require, as described above, ambitious targets, well-designed policies and programs to achieve them, and dedicated funding to make sure they happen.

National higher education oversight and planning

The Universities Accord is the beginning of a process. Effective reform of Australia's higher education system will take time, further consultation, iterations of evaluation and redevelopment, social capital, and political will. It requires guidance, too. And given that universities are responsive to, and accountable to, a wide range of partners and stakeholders, including students, staff, communities, employers, other universities, and multiple layers of government, there is high potential for mixed messages and conflicting priorities.

Achieving the best outcomes from the Accord and for universities and their many partners and stakeholders will require **on-going consultation and regular, periodic reviews** to monitor outcomes from the Accord and make sure universities and others are delivering on their commitments – including, especially, targets for boosting participation and attainment. A periodic review process would help governments and universities set new targets and priorities, identify and make recommendations on opportunities for further policy and regulatory reform, and provide a degree of strategic oversight – for example to ensure that universities' individual adaptations to changing circumstances does not lead to critical gaps in national capabilities, whether in mathematics, economics, chemistry, languages, or a range of other fields.

An on-going consultation and review framework would need to reflect the diversity of Australia universities' identities and missions, and so include not just the higher education sector but the professions, all levels of government, strategic industries, and research organisations. It could link to schools and other education sectors through the Education Ministers Meeting and other advisory bodies. Ideally, the framework would

have cross-party support with a public commitment to maintain it for several cycles of evaluation and reporting, in keeping with the new multi-year funding arrangements outlined above.

A new kind of university

Collaboration between regional universities – in response to the challenges discussed above – could be formalised into a new kind of higher education institution, akin to US state university systems. **A federated regional higher education system** with shared delivery of courses and some administrative functions could allow regional universities to achieve the kind of economies of scale available to large metropolitan universities, reduce duplication (and so free up resources for other activities), and ensure that programs critical to regional workforce needs are viable.

At present, for example, several regional universities, including Charles Sturt, have established or are planning to establish their own medical schools, each with a focus on regional training and the goal of having their graduates stay to practice in regional areas. At present they are competing with well-established medical schools in well-established metropolitan universities for a share of a fixed pool of CSPs for medicine, and an even smaller pool of CSPs for regional medical training. To some extent they are also competing with each other, and with metropolitan universities, for students to fill those places. At the same time, they are trying to navigate the costs of, and tensions between, national accreditation bodies and state registration and training systems. A similar situation exists for nursing, allied health, teaching, and other professions, and there is also likely to be duplication, overlap and an unhelpful level of competition for students and funding in agriculture, environmental science, and other fields.

Under a federated structure, each regional university (and each campus) would retain its distinctive character, ethos, and mission. In most circumstances they would be funded and evaluated separately. As a single entity with some shared resources, though, they could compete far more effectively for funding for research and enabling infrastructure, for teaching, learning and support funding streams like NPILF and IRLSAF, and for places in capped pools such as those for medicine and dentistry. A federated structure could also greatly increase the range of courses available to regional students: a student at Charles Sturt in Wagga Wagga with an interest in literature could, if they chose, enrol in a course in Shakespeare and Early Modern Literature offered by the University of Southern Queensland rather than move to a metropolitan university that offers similar courses. And there is scope under this kind of structure to put Regional and Country University Centres on a more sustainable footing.

A federated regional university would, of course, require formal agreements between the institutions involved to share some resources, to transfer some to another institution, perhaps even exchange staff. It would require some catalysing funding from governments, including state governments, who would also be key partners in making any amendments to university establishing legislation that might be required, and removing state-level administrative obstacles to shared delivery and accreditation.

A new role for state and territory governments

Since the mid-1970s Australian public universities have been established under state legislation but regulated and funded (mainly) by the federal government. This situation is unique: in other countries with a similar federation of governments – for example Canada, Germany, and the US – public universities are established and primarily funded for both teaching and research by state or provincial governments, while also receiving funding from the federal government and being subject to some federal legislation and regulations.

The divide in Australia is not, however, as pure as the orthodox view would have it. State governments have increasingly recognised, and to a limited extent supported, the role of universities in economic development and meeting workforce needs. The Queensland Government's 'Smart State' strategy of the late 1990s and early 2000s led to a significant expansion in higher education and research in that state, and in turn a

substantial increase in international student numbers. Victorian governments in the early 2000s also made major investments in higher education and research facilities, with similar outcomes. NSW Government investment helped Charles Sturt University build a new and rapidly growing campus at Port Macquarie. It also underpins a new campus in Gosford for the University of Newcastle.

Even as the Accord process goes on, state and federal government investment is driving the expansion of higher education and research facilities in Western Sydney. In South Australia the state government is actively encouraging (with a pledge of funding) plans to merge two universities, with the expectation that it will lead to economic benefits and bolster the state's role in AUKUS. The West Australian government has launched a review of the state's university system with similar hopes of achieving greater economic benefits including more international students and more research funding.

Nonetheless, direct state and territory government funding makes up only around two per cent of total university revenues¹⁸ – less than they receive from the ARC – and in other ways state and territory governments appear to be oblivious to what universities can do and are already doing. State elections and budgets often feature commitments to recruit many more doctors, nurses, teachers, police officers, paramedics, and other public sector workers, seemingly without considering that there could be a role for universities in meeting those needs. Indeed, state governments' strategies for dealing with public sector workforce shortages usually depend on two things: recruitment from overseas, with the expectation that the Australian Government will make the appropriate changes to migration laws and visas, and poaching people from other states. Recently they have added a new tactic to the mix: bonded scholarships and/or promising to pay or waive (somehow) the HECS debts for graduates who commit to work in the state health or education systems for a spell. Analyses by Andrew Norton¹⁹ and others²⁰ indicate that these tactics will do nothing to increase the supply of the required graduates, meaning the states and territories will still have to make up workforce gaps.

State and territory governments receive considerable benefits from their universities in ways not measurable in terms of international student numbers or Australian Government funding. For example, teaching, nursing, medical, health and other students on practical placements form an important part of the active public sector workforce, not just the future pipeline. But the students receive little direct support from state governments beyond some help with living expenses, such as travel subsidies, and universities are charged for each student they place in a public or private hospital.

The Universities Accord offers an opportunity to **revisit the relationship between state and territory governments, their universities, and the Australian Government**. That could extend beyond planning and coordination – which would bring considerable benefit – to include things like regulatory reform to reduce operational costs for universities, state level targets and strategies to boost participation and attainment, scholarships for students, and some direct funding of universities – if not of student places then to help universities meet the various costs of delivering on state priorities and goals.

Conclusions

The social, cultural, and economic roles of universities will continue to evolve alongside the communities that support them, and that they in turn support. Their research will underpin Australia's ability to respond to almost every challenge we can foresee, and others we cannot anticipate. And alongside generations of teachers, nurses, journalists, doctors, writers, engineers, historians, scientists, and other scholars they will

¹⁸ Parliamentary Library, '[A guide to Australian Government funding for higher education learning and teaching](#)', 23 April 2021

¹⁹ Andrew Norton, '[Bonded scholarships for nursing students in Victoria](#)', 29 August 2022

²⁰ *The Age*, '[University chief warns free degrees alone won't boost nurse numbers](#)', 29 August 2022



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produce leaders and pioneers. In short, they will have a degree of influence on every aspect of Australian society, culture, and economic growth and development.

This could, perhaps, be a key achievement for the Accord Panel and an important outcome of the Accord process: the recognition by all levels of government and by all sectors of society and the economy that universities are not just an export success story, a tool for achieving public policy goals, or a mechanism for training future workers, but fundamental to everything we hope to be and achieve as a nation.