

## Australian Universities Accord: Consultation on Terms of Reference

IRU submission – 19 December 2022

### Executive Summary

The Innovative Research Universities (IRU) warmly welcomes the Review of Australia's Higher Education System as the first step towards a new Australian Universities Accord. At a time of significant global change, the Review provides an important opportunity to examine where the Australian university system is working well, and where reform is needed. The Accord should focus on settings to ensure that Australia's public university system can deliver the maximum public value into the decades ahead.

The Terms of Reference for the Review cover a range of issues that demand attention, including the role of universities in preparing graduates for the opportunities and jobs of the future, unfinished business in access and equity, the flaws in the Job-Ready Graduates package and the connection between universities and the vocational education and training sector. Specific IRU priorities include:

- Equity: understanding what works for supporting student success across diverse cohorts.
- Research: reform to restore balance across the system, including a focus on research translation and impact in all sectors, not just the private sector.
- Indigenous knowledge: a systematic approach to Indigenous-led education and research.
- Innovation: reducing complexity in the existing system and creating room for universities to focus on their unique missions and the needs of their communities.

Finally, we highlight a number of areas that we believe are under-developed in the Terms of Reference and practical issues for consideration in 2023 on the path towards implementation.

We look forward to working closely with the Accord Panel and Australian Government throughout 2023 to contribute to an Accord that will deliver a more equitable and innovative future for all Australians.

### About the IRU

The IRU comprises seven public research-intensive universities across Australia. The history of our member universities goes back to the late 1960s and early 1970s when, under both Liberal and Labor governments, there was an expansion of new forms of higher education and research to meet the needs of the nation. As capital cities and regional centres grew, new universities and Colleges of Advanced Education were established to open up opportunities for under-served communities.

From their founding, IRU members pioneered new forms of inter-disciplinary teaching and research, for example in environmental and Asian studies. Today, our members are multi-campus universities with a continued commitment to sustainability. Our shared focus is inclusive education and innovative research that delivers impact for our communities.

The Australian Universities Accord is another important moment for innovation in higher education and research, and for partnership between universities and government. The IRU is committed to constructive and evidence-based policy engagement and provides the ideal test-bed for trialling new approaches.

[iru.edu.au](http://iru.edu.au)

## Context for the Accord

Australia's public university system is an asset for the nation and the Universities Accord process provides an important opportunity to examine where it is working well and where changes may be required. The IRU believes that the over-arching focus of the Review should be to make recommendations about changes to policy, funding, regulation and university operations that will maximise the public value from investment in higher education and research.

The COVID-19 pandemic has highlighted larger global shifts that have had significant impacts on how universities operate. For example, over just the last twenty years since the early 2000s, global investment in research and development (R&D) has tripled and the centre of gravity of the global distribution of knowledge has shifted. In Australia, demographic shifts are also occurring, with the UN predicting an 18% increase in our tertiary-aged population between 2020 and 2030. The pandemic accelerated the use of new technologies in changing patterns of learning and work, and these will continue.

In this rapidly changing environment, Australian universities perform well by global standards. Participation in post-secondary education has increased – pre-COVID analysis by the IRU showed that almost 80% of young Australians had completed either a university degree or vocational education and training (VET) qualification or both, with a fairly even split between universities and VET. Students at Australian universities have high levels of satisfaction and graduate outcomes. Today, IRU universities teach 223,000 students across the country across all levels, with 21% of our students coming from low-socioeconomic status (SES) backgrounds and 50% the first in their family to attend university.

Australian universities have also increased their research quality and productivity over the last twenty years and perform strongly in global rankings. While lifting research performance, universities have also increased engagement with partners outside academia – IRU universities have increased their collaboration with industry by 260% over the last decade.

Over the last twenty years, Australia has developed one of the most internationalised university systems in the world, with high levels of international education and international research collaboration. This has improved quality and impact and delivered significant social, cultural and economic benefits to Australia and its partners, particularly in our region. The IRU is characterised by a diverse international student cohort and by successful offshore delivery of international education.

However there remain issues within the higher education and research system that require ongoing attention and intervention. In the section below, we provide an initial overview of IRU priorities for the Review and Accord. We submit that the Review process should take an evidence-based and consultative approach to identifying these specific issues and developing recommendations to address them.

The *IRU Strategy 2022-2027* ([link](#)) makes a clear commitment to constructive and evidence-based engagement with government on key policy issues for the nation. Recent IRU submissions and policy resources relevant to the Review include:

- IRU [submission](#) to the Review of the Australian Research Council (December 2022)
- IRU [submission](#) to the Productivity Commission (October 2022)
- Options for reform of the Job-Ready Graduates package – [IRU paper](#) (September 2022)
- IRU [submission](#) on Research Block Grant reform (May 2022)
- IRU pre-election [statement of policy priorities](#) (March 2022)
- Joint [statement](#) by the IRU and ATN on participation, skills and equity (March 2022)
- IRU [submission](#) on diversity in international education (February 2022).

## IRU priorities for the Accord

The Terms of Reference for the Review cover many of the issues that the IRU believes need attention and discussion. These include:

- Australia's skills needs and the central role of universities in preparing graduates for the opportunities and jobs of the future.
- Improving access to higher education – we believe that there is unfinished business for the higher education system in ensuring access, equity and student success.
- Examining the balance of funding and contribution arrangements, including a full review of the Job-Ready Graduates package – IRU analysis (see options paper above) shows that the JRG has made the system for funding student places more complex and embedded inequalities.
- The connection between higher education and the VET system – we believe that this is an important area where reform can deliver benefits for students and the broader community.
- International education and the role of universities in strengthening Australia's partnerships in the region and globally.
- The critical role of university research in the broader Australian innovation ecosystem, delivering new knowledge, important national capabilities and significant impact.

The IRU recommends that the Panel prioritise the following specific areas for further analysis and reform.

### Equity

The IRU fully supports the Minister's focus on equity and the Accord provides a critical opportunity to drive a more coordinated and sophisticated approach across policy, funding and universities. Equity should be considered not just in terms of access to higher education but also in terms of student success and retention/completion. This should include the impacts of the JRG on equity but also address broader cost of living and affordability issues for students beyond course fees.

Research and evidence is now available to support more nuanced definitions of under-represented student cohorts and a better understanding of the different needs of different groups and the impacts of multiple dimensions of disadvantage. This is also an opportunity to evaluate what existing government and university programs have achieved, to assess what works and build upon that for the future. The proliferation of relatively small programs provides an opportunity for rationalisation and investing at scale, while maintaining a focus on under-represented students. Addressing unfinished business in equity is the right thing to do and will also help to address skills needs across the country.

### Research

Over the last twenty years, shifts in the research system and in policy and funding priorities have resulted in a lack of coherence and balance across university research. Building upon the review of the Australian Research Council (and previous government consultation on Research Block Grant reform), the Accord should make specific recommendations to ensure a balanced, effective and innovative system into the future.

To give one example, the proportion of higher education research and development (HERD) expenditure directed towards applied research or experimental development increased from less than 40% in the early 1990s, to half of all HERD by the mid-2000s and 58% by the mid 2010s. In 2020, the most recent year

for sectoral data, it was 63% of HERD. This transformational shift away from basic research has been sector-wide, but particularly prominent in regional and outer metropolitan universities.

The Terms of Reference do not include much detail on university research, but the Review should take a systematic approach, including the research workforce and careers for post-graduate students and early-career researchers. Consideration should also be given to equity and diversity across research funding programs, building upon the work done by the National Health and Medical Research Council on gender equity.

The Terms of Reference emphasise collaboration between universities and industry and the opportunity to “drive greater commercial returns”. A more balanced approach to the translation and impact of university research would also include a focus on partnerships with the public and community sectors, and with local communities, that also lead to significant social, cultural, economic and health/wellbeing impacts. In the IRU submission to the Review of the Australian Research Council, we recommend that the ARC take on a leading national role in supporting, evaluating and communicating the impacts of university research. There should be a clear link between the recommendations of the ARC Review and this process.

### Indigenous knowledge

In 2023, the Australian Government has committed to a referendum on enshrining an Indigenous Voice to Parliament in the Constitution. This is an important opportunity for a more proactive and coordinated approach to the inclusion of Indigenous knowledge across our higher education and research systems.

The Terms of Reference mention First Nations Australians in relation to access to higher education, but there should be a focus on Indigenous people and knowledge across all aspects of the Review’s work. For example, some progress has been made with existing ARC programs to support Indigenous researchers and Indigenous-led research, but more remains to be done. Indigenous knowledge should be an integral part of future measures to drive research quality, integrity and impact, as well as innovative, distinctly Australian approaches to new forms of education and research.

### Innovation

The most significant outcome from the Review and Accord process would be to reduce complexity in the existing system, and free up room and resources for universities to innovate for the future. This would enable institutions to focus on the unique needs of their local communities and experiment with new models, increasing responsiveness and diversity across the system.

In recent years, changes in government programs and legislation, and new regulatory and reporting requirements, have accumulated – this is also combined with the effects of international university rankings systems which shape university behaviour. The Accord provides an opportunity to put in place a modern framework that ensures accountability for public investment while also allowing for flexibility and for universities to focus on their mission. IRU universities have a clear mission in their establishing legislation to serve their communities.

Greater flexibility and focus on mission would support more effective integration between universities and VET institutions, supporting clearer pathways for students. For example, IRU member universities would like greater flexibility to allocate Commonwealth-supported places to enabling and pathway programs, to build new partnerships and serve the needs of their communities. Universities would then report to government and the public on the effectiveness of those programs and on student outcomes.

The Productivity Commission’s Interim Report 1 (2022) from its five-year inquiry into Australia’s productivity states that the changing nature of the Australian economy will require new kinds of

knowledge and skills. Innovation and productivity in the future will not just be driven by STEM skills or high-tech R&D, but by the integration of diverse kinds of knowledge and competency. Across higher education and research, the Accord should focus on the settings that will support this innovative and inter-disciplinary approach.

### Practical issues on the path towards implementation

The Terms of Reference set out a timeline for the Review, with an interim report in June 2023 and a final report in December. However there are policy and funding issues that will need attention before the end of 2023 and before government has a chance to respond to the recommendations in the final report.

As early as possible in 2023, the Panel and the Ministerial Reference Group should seek input on these interim issues that will need to be addressed before the end of year (and where they might have Budget implications prior to the 2024 Budget). We believe that there are quick wins that are possible in the first half of 2023 – policy and regulation changes that will not have major Budget implications – and the Review should seek suggestions on these through its consultation processes.

For example, the IRU has previously recommended (see submissions above) the uncapping of places for all Indigenous students (not only those from rural and regional Australia) and the ending of the 50% rule for students with low completion rates. An urgent issue for early 2023 is the transition funding in the JRG package, which will expire at the end of 2023 before the government responds to the recommendations of the Panel's final report.

Finally, it will be important to establish a clear evidence-base for the Review, both for underpinning its analysis and also for clearly setting out how the success of any recommendations/reforms will be measured. Building upon on the IRU recommendations to the ARC Review, the Accord is an important opportunity to improve the ways in which the value and impact of Australian universities are measured and communicated into the future. The Review and Accord should specifically encourage and support innovation in evidence and evaluation that will go beyond current targets and rankings to include non-economic and public good impacts.