



AUSTRALIAN UNIVERSITIES ACCORD: INTERIM REPORT



SUBMISSION TO:
THE ACCORD PANEL

SEPTEMBER 2023

Submission to the Australian Universities Accord Interim Report

The Academy of the Social Sciences in Australia (the Academy) is an independent, not-for-profit organisation that brings together the multidisciplinary expertise of our nation's leading thinkers to provide practical, evidence-based advice on important social issues facing society.

As the pre-eminent organisation in Australia representing excellence across the social science disciplines, we welcome the opportunity to respond to the Australian Universities Accord Interim Report (the Interim Report).

Overview

A strong, diverse and responsive national tertiary education system is critical to Australia's sovereign interests. University research serves not only as an engine-room for the production of new knowledge and insights needed to drive commercialisation, productivity and to inform solutions to nationally-important problems, but also ensures that the education of the next generation of professionals is informed by exposure to the latest knowledge and thinking.

A key question for the Australian University Accord is how the teaching and research mission of Australian universities can best serve the national interest. The Academy strongly supports the Australian Governments current end-to-end review of the Australian education system, from early childhood education and care through to the Australian Universities Accord (the Accord) and their collective ambition to lift education standards, global competitiveness and deliver for all Australians.

The Interim Report takes the first steps towards the bold and broad reforms required across higher education. As the first comprehensive review of the sector in 15 years, the Accord has the potential to create lasting change, with as much if not more impact than the previous Bradley Review (2008) and the Higher Education at a Crossroads Review (2002).

This submission continues our focus on three key themes within the Accord process: (1) research, specialisation and the research teaching nexus; (2) fostering international engagement, and (3) towards a coherent tertiary system.

The Academy is broadly supportive of other measures and recommendations outlined in the Interim Report; in particular the measures focused on equity and access.

The Academy makes eight recommendations, as follows:

Recommendation 1: Consider additional funding allocations for university research that could reduce the high-risk reliance on international student revenue while retaining the value and appeal of Australian higher education as an international export.

Recommendation 2: Develop improved processes for aligning Commonwealth and student contributions for undergraduate programs to reflect the real and contextual cost of delivery (regularly reviewed in light of changes in delivery modes and technology)

Recommendation 3: A recommendation to Government for a national uplift in R&D investment with a focus on the foundational importance of university research in boosting and enabling state & territory, philanthropic, and private sector R&D

Recommendation 4: A recommendation to Government for a legislated target for Australian R&D investment that would move Australia into the top-20 OECD nations, including a commitment to developing a national R&D roadmap.

Recommendation 5: Consideration of a new Sovereign Research Investment Fund similar in nature to the former Education Investment Fund, but with capacity to selectively support research programs and infrastructure in areas of national importance (potentially aligned with the Australian Government's National Science and Research Priorities);

Recommendation 6: Increase national allocation to university research costs through the Research Support Program; potentially funded through savings from efficiencies in other areas of university funding. In lieu of an established quality-based research assessment framework, consideration could also be given to allocation of RSP funding on the basis of demonstrated comparative advantage in the areas of research being supported.

Recommendation 7: Consideration to broadening the integrity and accessibility of visa pathways to highly skilled academics in the social sciences, including pathways to permanent residency.

Recommendation 8: Inclusion of the Learned Academies in the proposed Australian Tertiary Education Commission, drawing on their independence and expertise to contribute a national perspective of how university teaching and research programs are advancing Australia's interests.

To discuss any matters raised in this submission, please contact Andrea Verdich, Policy Director on 0438 218 352, or andrea.verdich@socialsciences.org.au.

Research, specialisation and the research teaching nexus

Research and research training is a key component of Australian universities, however structural constraints and competition for limited resources provide significant challenges that impact both the research and education missions of our universities. Key issues for consideration of the Accord in improving Australian's university research system include the following:

1. **There is insufficient differentiation and a lack of coordination of teaching and research in the current system.** There are substantial inefficiencies associated with 39 autonomous institutions offering very similar programs to an increasingly national and largely online student cohort; all in pursuit of fees from international and postgraduate students as well as revenue from price- and volume-constrained domestic undergraduate places. Similarly, there are inefficiencies associated with multiple small- and medium scale research groups competing with others in the same field for limited funds to address complex national and international challenges. Specialisation is inherently efficient, and by improving coordination in the medium term through competitive mechanisms attached to research and student funding—potentially through the medium of the proposed Tertiary Education Commission—the Australian Government could realise efficiencies of scale that would increase the quality of research and teaching for the benefit all Australians.
2. **There is a need for greater focus on the research-teaching nexus.** Australia's university system has a baked-in division between research and teaching roles that is substantially greater than in comparable nations. This is partly due to cultural issues, and partly due to structural constraints. On the latter, for example, ARC Fellowships preclude recipients from teaching for the duration of their award. Learning can be at its most exciting when taught by leading experts, and while not all researchers need to be teachers and not all good university lecturers should be world-class researchers, the Academy recommends consideration of a medium-term transition to allow a closer alignment of culture and opportunity. This would help to embed high-quality, research-informed teaching in all relevant institutions.
3. **Cross-subsidies exist at multiple levels.** They include:
 - a. Revenue from international fee-paying students used to subsidise research. While this is an entirely appropriate use of such revenues, universities have a disproportionate reliance on international student fees that presents a real structural risk to Australia's research system;
 - b. Revenue from fee-paying domestic postgraduate students. This cross-subsidy includes both out of pocket student contributions and the indirect public subsidy afforded through income contingent loans;
 - c. Teaching cross-subsidies enabled by undergraduate programs for which delivery costs are misaligned with fees.

Any intervention on cross-subsidies is complex and would need to be made with regard to potential impacts across the whole system. The Academy recommends:

- a. Measures to reduce the high-risk reliance on international student revenue while retaining the value and appeal of Australian higher education as an international export. This would require consideration of additional funding allocations for university research.

- b. Development of improved processes for aligning Commonwealth and student contributions for undergraduate programs to reflect the real and contextual cost of delivery (regularly reviewed in light of changes in delivery modes and technology)
4. **Each Australian university has comparative strengths and weaknesses.** Different institutions are better at different things. Some perform significantly better in terms of volume and quality of research outputs per dollar received, whereas others achieve significantly higher student load (EFTSL) within a given funding envelope. These comparative differences exist in all higher education systems across the globe, and include both the teaching/research continuum as well as inter- and intra-institutional differences across disciplinary domains. Expecting and incentivising universities to 'do everything' means that only some of their activities will be playing to strengths; creating inefficiency at best and resulting in suboptimal outcomes for students, institutions and the nation. Improved coordination (although not centralisation) through a body such as the proposed Tertiary Education Commission could allow a higher degree of specialisation within and across institutions would likely lead to substantial efficiencies.
5. **Research and infrastructure funding is insufficient to sustain continued excellence and sovereign capacity in knowledge generation, adaptation and transfer.** Australia's universities undertake the bulk of basic, strategic basic and applied research in Australia. However university research funding (both Government – GERD – and own-source – HERD) has been relatively stagnant, and for the first time this year has declined in real terms. Given the increased costs of research on both human resources and materials, this effectively means that Australia's university research outputs are declining, and without urgent attention, the nation's sovereign research capability will be reduced. The Academy recommends consideration be given to increasing university research funding in several ways:
 - a. Recommendation to Government for a national uplift in R&D investment with a focus on the foundational importance of university research in boosting and enabling state & territory, philanthropic, and private sector R&D
 - b. Recommendation to Government for a legislated target for Australian R&D investment that would move Australia into the top-20 OECD nations, including a commitment to developing a national R&D roadmap.
 - c. Consideration of a new Sovereign Research Investment Fund similar in nature to the former Education Investment Fund, but with capacity to selectively support research programs and infrastructure in areas of national importance (potentially aligned with the Australian Government's National Science and Research Priorities);
 - d. Increased national allocation to university research costs through the Research Support Program; potentially funded through savings from efficiencies in other areas of university funding. In lieu of an established quality-based research assessment framework, consideration could also be given to allocation of RSP funding on the basis of demonstrated comparative advantage in the areas of research being supported.

Measuring the quality and impact of Australian research

Public assessments of research outcomes are vital features that encourage trust and transparency as well as reinforce the social licence for research investment. The cessation of ERA and EI presents an opportunity for Australia to modernise our research assessment practices in line with international approaches.

In our submission to the review of the *Australian Research Council Act 2001* the Academy expressed its strong reservations about the use of automated metrics-based research assessment processes, which have been shown to lack sensitivity to disciplinary differences, and to be disadvantageous to many humanities and social science fields. This concern was shared by the Review Panel and emphasised in their final report:

We do not recommend that ERA and EI be replaced by a metrics-based exercise because of the evidence that such metrics can be biased or inherently flawed in the absence of expert review and interpretation. – ARC Review

International approaches to research assessment highlight that good processes acknowledge diverse outputs, practices, and activities, and prioritises qualitative judgment, while responsibly incorporating quantitative indicators.

Fostering international engagement

The Academy welcomes the emphasis of the Interim Report on creating a sustainable and globally connected education sector. the long-term objectives of emphasising Australia's place in a global system of knowledge generation and exchange.

Australian universities exist in an increasingly internationalised marketplace characterised by competition for a limited global pool of both staff and students. In order to overcome the inherent disadvantages of distance, Australia must go out of its way to position the tertiary sector as an attractive, welcoming and accommodating proposition for work and study.

The Academy continues to support the following key outcomes:

- ensuring that international education supports broader Australian foreign policy objectives, for example, strengthening relationships with India and the Pacific
- making international education more embedded within the mission of the Australian tertiary education system and to the mission and purpose of individual institutions
- new opportunities to increase the scope and mobility of Australian scholarships and programs
- ensuring the integrity and accessibility of visa pathways for international students
- providing a high-quality university experience for international students

In addition, we propose consideration is given to broadening the integrity and accessibility of visa pathways to highly skilled academics in the social sciences, including pathways to permanent residency.

Towards a coherent tertiary education system

The Academy welcomes recognition in the Interim Report of the importance of collaboration between vocational education and training (VET) and higher education as essential for improving skills development.

The Academy continues to support:

- extending Commonwealth Supported Places at some AQF levels to the TAFE sector in areas of crucial skills need. As noted in previous submissions, the system would need to be carefully designed and regulated to realise the potential benefits and manage the risks seen under previous schemes.
- improving the integration of higher education and VET to create new types of qualifications
- improving skills pathways by creating qualifications that are more modular, stackable and transferable between institutions and institution types
- addressing barriers that prevent VET and higher education working together, especially in courses and institutions that involve both sectors

The Academy welcomes the Panel's consideration of an Australian Tertiary Education Commission, based on the principles of independence and expertise, which would take a national view of how teaching and research programs are advancing Australia's interests.

The Learned Academies would be well placed to contribute to such a body to inform national coordination and planning. As expert voices on a range of higher education and research matters, including the important intersection with national policy development, our unique expertise within and across disciplines is independent of universities and governments.