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**Submission in response to the Review of Australia's Higher Education System by the Australian Universities Accord Panel**

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The University of Technology Sydney (UTS) welcomes the opportunity to provide advice regarding the priorities for the *Review of Australia's Higher Education System* (the Review) as set out in the Terms of Reference.

UTS is the top-ranked young university in Australia. As a university of technology, it is our role to ensure our graduates shape the future professions and businesses that will be needed in Australia and overseas. Since our inception, an integral building block of our success has been our outward, global focus and ability to partner with industry. Our campus has no walls; it is deliberately designed to be porous and support connections, knowledge exchange and collaboration. This embodies our approach to engagement and permeates our teaching and research. Our student body is diverse, and we encourage our students and staff to look at the world from different perspectives. Our mission has social justice at its core and our commitment to delivering public good is at the heart of our strategy.

UTS is of the view that any holistic and long-term ambition to reform Australia's higher education system needs to build on the analysis presented in the earlier 2008 review of Australian Higher Education (commonly referred to as the Bradley Report), and take into consideration the following issues.

### **Overarching issues**

1. **Clarity and re-articulation of purpose** is required for Australia's university sector to inform expectations of its civic duty to local, national and international priorities. For example, it is assumed that Australian universities provide learning opportunities through credentialed, accredited and other courses and research and innovation in support of the creation and transfer of new knowledge to business, government and wider community stakeholders. But universities also play important roles in their local communities and many universities, such as UTS, are at the heart of designated economic and innovation precincts. While the balance of these might differ across universities according to their particular mission and focus, these three features (education, research and community) underpin Australian universities. This assumption needs to be confirmed and applied to the business model(s) and funding arrangements to provide a sustainable sector able to deliver the agreed outcomes.
2. **The business model** for universities relies on a combination of funding, including from:
  - a. government (student funding and research funding, including research block grants, and other forms of support for infrastructure and targeted priorities);
  - b. funding from domestic students (fees and/or support through loans such as HECS HELP or FEE HELP);
  - c. funding from international students (through fees);
  - d. business and industry funding and support (for research, research translation and in some cases for education); and
  - e. philanthropic and corporate giving.

This business model relies on **universities applying the various funding sources across all areas of their mission**, and of necessity requires decisions by universities on cross subsidisation guided by their priorities and mission. Institutional autonomy, together with a clear compact of accountability with government, is important to ensure that this can happen. Legitimation and protection of the various funding streams, as well as approaches to manage the risk that the sector cannot deliver all of the required outcomes without this range of funding, is required. In particular, the Accord process should reaffirm the role of international education in the overall mission of universities and its benefit to the wider Australian community, given the range of outcomes universities are expected to deliver.

3. **The Accord must consider all elements of university missions together.** It is not feasible to dissect student and research funding without fundamentally changing the nature of university education and research and risking the overall quality of the Australian university sector. Clarification of the overall purpose of universities will help identify the potential new funding mechanisms (or changes to existing funding mechanisms) that support the desired outcomes and allow the flexibility for institutional choices that offer a range of options for students, government and other stakeholders such as communities. Diversification should be achieved by incentivising particular elements of university missions appropriate to each university environment rather than through structural means.

### Delivery issues

1. Business models, including funding arrangements, are complex. Simplification may not deliver the necessary outcomes and templating fixed approaches to diversification is unlikely to work. The Panel should support **allowing different missions of universities to be shaped by institutional agreements with government and other stakeholders**. UTS supports the need for recognising and enabling diversification, but this should be done by allowing diversity to flourish through the design of the system and funding drivers.
2. **The financial margin from international education** is a significant contributor to university outcomes – including the enhancement of the student and campus experience, research support and infrastructure investments. Retaining Australia’s place in international education at the current scale will be necessary to continue the current high quality of these outcomes, unless there is a commitment from government to increase its funding to cover the financial margin. In the absence of direct government support, international education should be protected and supported as a key strategic policy element of Australia’s higher education sector.
3. **Any proposals for change must be fully modelled.** Because the system is already complex and diverse, with many stakeholders and contributions to national priorities, changes may have unintended adverse consequences unless outcomes from the Accord process are modelled in some detail. In addition, the starting point for the capping of student funding was done at a point in time, without strategic consideration of the outcomes desired for individual universities and the sector as a whole. Universities should be engaged in the process of modelling prospective impacts of any changes and any transitional arrangements arising from recommendations.

Returning to the Review’s Terms of Reference, all are broadly supported by UTS and we make additional comments as they pertain to our institutional priorities:

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

UTS embraces the concept of lifelong learning and the skills agenda within its strategic initiatives in recognition of the fact that the way we learn is changing. However, while models for undergraduate, postgraduate and research education are well understood, internationally calibrated and often professionally recognised, other models of learning (including microcredentials and shorter forms of learning) and education at the intersection of VET and Higher Education are less well positioned. The Accord should consider a national framing for new models of learning in support of recognised, portable and industry aligned skills development.

2. Access and opportunity

A reinvigorated focus on improving access, participation **and success** for underrepresented cohorts in university study to better reflect the diversity of the Australian population should be a priority. This includes the funding of places for such groups (including uncapped undergraduate education for First Nations students), and the provision of institutional funding to support positive outcomes and access by individual students to relevant living and other support. Targets in relevant areas agreed with universities according to their mission should ensure accountability for outcomes.

UTS's commitment to Indigenous education and knowledge is at the heart of our mission and UTS has the largest Indigenous professoriate in Australia. While our Indigenous student numbers are small their success rates are very high. As an example of a solution that is possible when universities have flexibility in the delivery of diverse outcomes, UTS is planning to build Australia's first comprehensive Indigenous Residential College to overcome the barriers to participation for Indigenous students.

### 3. Investment and affordability

Detailed conceptual and funding modelling must be undertaken as part of the Accord process to ensure that the outcomes arising from the Accord are realistic, deliverable and, most importantly, sustainable. The Panel is urged to engage with universities, individually and collectively, to share the impacts of various changes to funding to assist in this significant process.

### 4. Governance, accountability and community

UTS contends that the purpose of universities in the 21<sup>st</sup> century is not only to deliver quality education and research, but to mobilise our knowledge, teaching and practice for the public good and to enhance engagement with our communities. UTS contends that accountability to the community and good governance feature strongly as a priority for the majority of universities. These commitments should align with the institution's overarching agreed purpose and priorities and can effectively be accommodated if the operating model and funding approaches align to support these outcomes. Accordingly, attention to these issues should flow from the broader work of the Accord process to support the ongoing commitment to the purposes of universities.

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

Identifying approaches to achieve better alignment, particularly from a student perspective, between VET and Higher Education must be a priority for both the government and the university sector. Ensuring seamless transition between the two systems, and providing the opportunity for genuine collaboration leading to new solutions for skills development, will lead to successful innovation in this area. There are critical implications for Commonwealth and State funding in this area and the NSW Institute of Advanced Technology pilots provide some useful guideposts to assist in achieving a more joined up approach, particularly in relation to lifetime learning.

### 6. Quality and sustainability

Australia already has a high-quality university system, recognised internationally for positive outcomes for graduates and for its high performance in research and innovation. The preservation of this position must survive any proposed changes to either education or research models and funding, and should be a priority for any future consideration of the regulatory approaches to the sector.

### 7. Delivering new knowledge, innovation and capability

Universities are core to Australia's innovation capability. All universities engage in education and research, and government should seek to preserve this pillar of our system while allowing for diversity of mission and nuances in priorities. For UTS, positioned in the heart of Tech Central (one of NSW's innovation precincts) a greater focus on precincts as a means by which to support Australia's innovation capability is warranted. It is becoming increasingly apparent around the world and in Australia that these innovation ecosystems, when appropriately supported, become dense hubs of economic activity where innovation, entrepreneurship, creativity and placemaking become greater than the sum of their parts.

Universities play a vital role in new knowledge creation, and education is delivered within this ecosystem, so appropriate recognition should be given to academic careers, support mechanisms



and employment arrangements that support this endeavour. On research translation, the benefits to Australian industry and the broader public should be agreed with each university according to its mission, with translation pathways and engagement mechanisms supported (and funded) accordingly.

UTS appreciates the opportunity to contribute and would welcome future engagement regarding the Review. Please do not hesitate to contact Amy Persson, Head of Government Affairs and External Engagement ([amy.persson@uts.edu.au](mailto:amy.persson@uts.edu.au)) should you wish to discuss this submission further.