



**National Tertiary  
Education Union**

Let's aim higher

NTEU Submission on the

## **Review of Australia's Higher Education System**

In response to the Inquiry held by the Australian Universities Accord  
Panel

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The National Tertiary Education Union (NTEU) represents the industrial and professional rights of over 28,000 members working in Australian higher education and research.

We welcome the opportunity for the views of higher education workers to be heard as part of the deliberations of the Panel.

### Executive Summary

The NTEU notes that the Panel has been tasked with reviewing a wide range of complex issues affecting Australia's higher education system and has been asked to make recommendations that will help to deliver a plan for lasting reform of Australia's higher education system.

The Union understands that this is the first iteration in a series of consultative processes that will take place over 2022-2023.

We have already provided feedback to the Department on the Review's Terms of Reference (see Attachment A), which address some of the core concerns of the NTEU.

We have also participated in one of the initial roundtable sessions, which was held in Melbourne on 09.12.22.

This submission provides further feedback to the Panel on the issues we believe should be prioritised in the Review of Higher Education.

The Review of higher education presents the Government and the sector with the opportunity to:

- address sustainable and transparent **funding, regulation** and **governance** reform, **workforce** planning, student **access** and **equity** to education, covering the full cost of **research** and supporting curiosity driven, independent research.
- **correct the mismanagement of the sector by previous governments** – in particular, the **cuts to public funding of teaching and research, and the Jobs Ready Graduate policy changes**, which have been deeply unfair and not served their intended purpose.
- **set the sector on a path for sustainable growth and reform and recast the role of universities as institutions of public good.** The Union is advocating for a higher education sector that not only provides the graduates with the necessary skill sets for future productivity but one that is also positioned to support innovation and creativity in teaching and research. Higher education institutions should be seen as both assets and resources for their communities, providing expertise and infrastructure and supporting students with pathways and connections for life-long learning.
- **identify ways for higher education and vocational education systems to work in tandem, where the sectors complement each other rather than compete for market share and funding.**
- **examine whether the current regulatory safeguards are enough to ensure that the sector does not become further stratified** in terms of the range of quality in providers and the qualifications that are offered.

Following on from these points, there are several key areas that the NTEU believes should be part of the deliberations of the Panel in the Review. We outlined these in more detail in this submission and have referred to attachments to this submission as appropriate.

## Issues of Concern to be covered by the Accord

Drawing from the points noted above, the NTEU's view is that the Review of Higher Education must address the following core issues, as a minimum.

### 1. Sustainable Funding for the sector.

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Securing sustainable, ongoing public funding that is removed from political influence is one of the most pressing issues for the sector.

Issues around funding not only related to the ongoing impacts of the poorly conceived JobsReady Graduate policy changes and other quantitative reductions in public funding over time, (including in relation to different grant streams in research and development (R&D)), but how individual institutions allocate the funding they both receive and generate. As such, sources of discretionary income, such as international student fee income and commercial income, should also be considered as part of the Review's deliberations.

The NTEU has undertaken considerable research on the funding framework, regulation and levels for the higher education sector and made numerous submissions to Government on alternative models. In short, we have advocated for:

- The establishment of an independent higher education agency with funding and regulatory powers;
- Reversal of the public funding cuts (via the Commonwealth Grant Scheme funding) that have resulted via the Jobs Ready Graduate legislation;
- In the longer term, increase the level of public investment in our universities to 1% of GDP. The NTEU is also supportive of the phasing out of tuition fees for government supported students;
- The introduction of Public Accountability Agreements (PAA's) with each institution as a planning, accountability and funding framework that is a flexible yet managed way of allocating public funding to individual universities.

**Attached is our 2022 Federal Budget submission which provides an overview of this analysis and our recommendations (Attachment A). Also attached is the paper by the Australia Institute Centre for Future Work, Higher Education at the Crossroads (2022), which was commissioned by the NTEU (Attachment B).**

Both of these papers provide a broad analysis on higher education policy settings, including around the impact of COVID-19 on university finances, and make key recommendations around reforms.

## 2. **Institutional governance and transparency in reporting and regulation.**

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The NTEU has consistently advocated for a reversal of the trend towards corporate sector style university governance and a move to the adoption of a more **collegial model**.

While most institutional governance structures are enacted via state government acts, there is still a role for the Federal Government to play in setting expectations around good governance structures (for example, as part of the Mission Based Compacts with each institution). We also note that appropriate Governance structures are reviewed by the sector regulators. The NTEU's view is that the make-up of university boards and councils inform organisational cultures and there needs to be improvements in terms of member compositions and experiences. Simply having one or two elected positions on councils is insufficient to have any real impact.

The NTEU has also consistently advocated for the expansion of public reporting within the sector. This includes in relation to gender pay gaps, senior executive remuneration, the actual number of staff in insecure employment, the use of labour hire staff, and where public institutions have transgressed the provisions in industrial agreements.

**In 2017 the NTEU produced an analysis paper on university governance issues. We attach this paper (Attachment C) to this submission.**

**The NTEU has also produced a paper that was forwarded to the Department of Education outlining changes that would create more transparency in staffing data. (Attachment D).**

## 3. **Workforce planning & secure employment.**

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Only one in three university jobs are ongoing positions - meaning higher education is one of the most precarious industries in the country. The NTEU views this extreme level of insecure employment as a serious hinderance to the provision of quality education and research in the sector. Universities in particular have little focus on workforce planning, instead reacting to ebbs and flows in enrolments and budgetary fluctuations with short sighted changes to staffing levels. Too often, the delivery of an institutions core functions are devolved to even sub-departmental level, where the focus is on extracting the most number of teaching, research or administrative hours at the cheapest cost.

It is in these situations that underpayment and poor workforce planning often occurs; it is notable that the NTEU has calculated that over the last three years, higher education providers have paid back over \$77 million in underpaid wages (to mostly casual university staff). To illustrate the extent of this problem, the NTEU's paper on workforce issues to the Productivity Commission and related attachments are provided with this submission (see **Attachment E**).

It is also worth noting that the Jobs Ready Graduate policy changes have exacerbated this situation, with institutions receiving less public funding on average per student, and thus needing to increase enrolments to achieve the same levels of commonwealth grant support funding (see **Attachments A and B** for analysis on the impact of the JRG changes).

The lack of workforce planning, poor support for career progression (especially for women in STEM) and the almost universal use of fixed term contract employment for research focused staff

has also resulted in a 'brain drain', whereby researchers trained in Australian universities are abandoning both the sector and the country due to the lack of opportunities for secure employment and funding of research. Indeed, Australia as a nation invests considerable resources in training up skilled researchers, academics and research professional staff, only to lose them.

There is a clear link between quality of research and education and job security. Researchers should not spend a great portion of their time vying for grant money (in a system where there is around an 80% failure rate in competitive grant applications) in order to keep their jobs; their time is better spent engaged in important research activities rather than bureaucracy.

The NTEU has recently completed preliminary analysis of a survey of research staff working in universities and research institutions in order to inform our submission to the Review of the Australian Research Council, which further explores the points noted in relation to the research workforce. A copy of that submission is provided as **Attachment F**.

#### **4. Research funding, including a refocus on basic research, and the redirection of ministerial role in research funding.**

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The NTEU has made three separate submissions to reviews around research and research infrastructure this year alone. In all of these, we have made the argument that:

- That over the last decade, the real value of funding for the Australian Research Council (ARC) and for research block grants has declined.
- The proportion of funding for basic and curiosity driven research has also declined.
- Insecure employment is the norm for the majority of researchers, with universities tying rolling contracts to grant income.
- The current system of high job insecurity works against the career progression and retention of early career, and women (especially in STEM) and researchers from minority and equity groups.
- The administrative burden and time spent on grant applications by research staff is unreasonable in terms of lost productivity, particularly given the around 80% failure rates of competitive grant funding applications.
- Ministerial vetos have continued to be exercised over ARC recommended grants, with all vetos in relation to humanities disciplines - undermining the credible neutrality of the process.
- Governments over time have not only increasingly become interventionist but have sought to undermine research independence through changes to the ARC and a shift towards applied research (specifically in STEM).
- When the funding regime changes and the Government narrows strategic area of research to a handful of select industries, the inevitable result is that Research Councils

are pressured to stop funding research in one area and start funding it in another, and that research focus becomes both highly concentrated and highly selective.

The NTEU in these and previous submissions has argued for a reset of Australia's Research and Development sector, noting that:

- Research should be fully funded by Government and, where centrally allocated; through independent, peer review processes.
- Funding for research, and in particular support for basic/curiosity driven research, be increased significantly. The NTEU has previously argued for \$1B increase to ARC and NHMRC funding respectively.
- Research staff who have transferable skills be employed on an ongoing basis by their institutions via strategic workforce planning and transition funding.
- The appropriate balance between basic/curiosity driven research and applied research in ARC competitive funding is around 65/35.
- There needs to be legislation aimed at safeguarding researcher independence which recognizes that researchers are best placed to determine detailed priorities.
- The Government's role in research be to set the over-arching strategy via broad areas of national priorities and that detailed decisions, including grant approvals, be conducted independently from Government.

To assist further, the Union has attached a submission made around Ministerial veto from March 2020 (**Attachment G**). We also refer to the submission already noted as **Attachment F**.

## 5. **Student access & affordability.**

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Since the introduction of the Higher Education Contribution Scheme (HECS) system in 1989, the debt burden students have shouldered has been increasing. However, under the JobsReady Graduate changes, student debt has risen to new levels.

In 2021, student contributions through HECS and the Higher Education Loans Program (HELP) were at 18.4%, up from 16.0% in 2006, and international student fees generated 26.6% of total university income, up from 15% in 2006. Commonwealth Grant Scheme (CGS) funding, which is the bulk of public funding supporting teaching, now comprises only 22% of university income, down from 25.7% in 2012.

What this means is that increasingly, students are shouldering more of the burden of university funding, both in the proportion of funding and in terms of gross student debt. This has implications for opportunity, accessibility, and equity in higher education.

Internationally, even before the introduction of the JobsReady Graduate changes in 2020, Australian students had some of the highest debt levels in the OECD:

- Tuition fees in public institutions in Australia are among the highest for a bachelor's programme across OECD countries and increasing. National students were charged USD \$5 024 (\$A6,715) per year for a bachelor's degree in 2018, 6% more than they were charged on average in 2008.
- Socio-economic status may significantly impact students' participation in education, particularly at levels of education that rely, in many countries, most heavily on private expenditure, such as early childhood education and care and tertiary education. In Australia at tertiary level, 65% of expenditure comes from private sources (that is, personally paid by students) compared to 30% on average across OECD countries.

However, student tuition fees have increased even further under the Morrison Government's JobsReady Graduate policy changes, which was introduced during the COVID-19 crisis as a way to reduce the level of Government funding per domestic student. **Attachment B** details the impact of the JobsReady Graduate changes on HECS-HELP debt and access and equity for students.

The NTEU believes there is a strong case (evidenced in **Attachment B**, Crossroads Report) for the abolition of HECS fees, with public universities better supported through an increase in the level of Higher Education funding (through 1% of GDP).

That said, as a minimum the Review should investigate and recommend a system that ensures accessible education, doesn't burden students with life-long debt and appropriately funds teaching and teaching support. The review should also examine options for revenue stabilisation and diversification of discretionary funding sources, particularly with regard to the sector's over-reliance on international student fee income to subsidise the costs of research and teaching.

## 6. International education.

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International education is now a core component of Australia's tertiary education sector. In addition to being one of our largest export industries, international education provides exposure to cultural diversity and cultural exchange with other countries. It enriches Australian educational practices and contributes to the nation's international competitiveness. In addition, international education provides opportunities to broaden Australia's understanding of our region and increases mutual understanding through soft diplomacy.

However, the sudden shut down of international education as a result of the COVID-19 pandemic laid bare the extent to which the sector had become reliant on income from international students. The international sector contributed A\$37.6 billion to the economy in the financial year before the pandemic; this was almost halved to \$26.7 billion in 2020-21.

Thousands of higher education workers – mostly from public universities – lost their jobs as institutions reacted to the fall in revenue during COVID. International student fee income was a significant component of this. However, all COVID did was to highlight the high-risk strategy that both the sector and Government had adopted in the reliance on international student fee income. The NTEU has warned for many years that, while international education has been one of Australia's largest services export industries, it is a volatile market that can fluctuate wildly.

Even leaving aside the impact of an international pandemic, the reality is that governments and the education sector do not have control over the fluctuations that are in built within the international education market, which may be the result of a rising/falling currencies, negative media coverage, increased competition from other countries with education service industries, or changes in the education opportunities available to students in their home countries.

The NTEU has recently made a submission on the reforms needed around international education (**Attachment H**). In this we detail the level of reliance on international student fee revenue for the sector as a whole as well as for individual institutions. We also examine the other concern with international education, which is the exploitation of international student workers. As a group, international students are the second largest group of international visa holding workers, but one of the most vulnerable to labour trafficking. The NTEU has long advocated for the sector to take more responsibility in addressing the exploitation of international students.

While the Review should look at the over-reliance of institutions and the sector on international student fee income, we also urge the Review to consider what responsibility we have for the broader welfare and working conditions of a cohort of (mostly young) people who we have invited to come to our country to live and learn.

## **7. Academic Freedom - the protection of free intellectual inquiry.**

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Academic Freedom and protection of intellectual inquiry are defining features of public universities and must be a core component of any regulatory governance framework.

While some improvements have been made around academic freedom and intellectual inquiry in recent years, the NTEU maintains that it is only through the robust provisions in NTEU negotiated enterprise agreements that academic freedom protections for higher education workers have been upheld in this country. There are therefore opportunities for the legislation to be strengthened, extending protections to all workers who are engaged in scholarly practice, and signalling to university managements that academic freedom overrides corporate branding of institutions. We also support improved access and coverage of whistle-blower protections for higher education staff.

## **8. Institutional independence and the role of universities as a Public Good**

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In the NTEU's feedback to the Department on the draft Terms of Reference for the Review we highlighted the importance for Review to work from the principle that higher education providers (and specifically, universities) acted as institutions of public good whose role is to preserve and promote activities that are for the benefit of their communities and society more broadly.

While the Terms of Reference describes the role of universities as a driver of the Government agenda around productivity, wages, skills, economic growth and social priorities, the core mission of public higher education providers - which is to operate in the interests of public good - are not recognised. Yet, given the overt corporatisation and managerialism that has infected the sector, we believe that the concept of the *public good* must be a central theme of the Review. Similarly, the independence of public higher education providers must also be inherently acknowledged as part of the Review. There is ever increasing pressure on institutions and their staff to conform to



the political agendas of the day – be that in terms of research focus or what students are learning. However, there are also other pressures – from corporate interests (particularly in relation to applied research projects) and through cultures of managerialism, which undermine the principles of academic freedom, collegiality and critical inquiry. The NTEU is conscious of the need to ensure that the independence of our institutions and the staff who work in them are respected and protected.

## **Conclusion**

Universities have a core role in building our nation’s future. They are engines of collective and individual growth and opportunity and are crucial to meeting the current and future challenges Australia faces.

But their ability to deliver on these missions depends on the more than 250,000 staff employed in universities having appropriate working conditions to allow them to do their jobs to a high standard.

The NTEU’s experience is that issues including funding, insecure work and wage theft, intensification of workloads, corporate style governance and managerialism, and never-ending series of change management proposals, have all negatively impacted on staff in the sector. In fact, while it is correct to highlight the loss of thousands of jobs as a result of COVID-19 over the last two years, the reality is that the seeds that germinated during the pandemic had been sown over many years by successive governments. The task for the Panel and the Government must now be to not only address the weeds choking the sector but decide what we are to now sow for the future.