

## UNIVERSITY OF WOLLONGONG SUBMISSION IN RESPONSE TO THE AUSTRALIAN UNIVERSITIES ACCORD DISCUSSION PAPER

Dear Australian Universities Accord Panel

The University of Wollongong (UOW) welcomes the opportunity to respond to the recently released discussion paper by the Australian Universities Accord Panel.

The discussion paper, structured around a series of prompt questions, strategically addresses and challenges the fundamental role that universities will play in shaping Australia's future prosperity and development.

UOW reiterates the opportunity for the Accord to reset the relationship between governments and universities. Universities are trusted partners of government at all levels and are at the forefront of helping to address major local, national and global challenges.

In principle, UOW supports the focus and intent of Universities Australia's response to the Accord Panel's discussion paper. It provides a series of sustainable recommendations around five key pillars which demonstrate how universities continue to play a crucial role in providing significant social and economic development opportunities to the communities in which they serve.

The University of Wollongong has also identified a number of strategic considerations that we wish to highlight as being central to the Accord's outcomes. These include:

### **Equity and Access**

There is scope to achieve a more coordinated and concentrated approach across the whole sector to pre-access and access-widening participation activity. At present, some universities are doing very little in terms of outreach to school and non-school leavers. Alternatively, in some regions there are four to five universities working with one school. As such, there are 'cold' and 'hot' spots of widening participation in Australia.

This problem could be reduced through a dedicated 'partnership' component of the Equity Funding formula. Funding to widen participation amongst equity groups should not be based on the number of enrolments an individual institution secures but instead a model should be developed which recognises an institution's efforts within their respective region and communities that lead to improved equity and diversity in terms of both commencing and continuing student populations.

To ensure the sector works together to widen access to higher education there is a need to establish separate organisational entities that can coordinate widening participation activity across Australia so as to not perpetuate disadvantage and create further barriers to higher education. UOW recognises the importance of collaboration and knowledge-sharing among universities in the area of widening participation, as well as recommending the establishment of a national network of universities and

other stakeholders to promote collaboration and the sharing of best practices. There is also an identified need to promote greater collaboration and coordination among universities to improve equity and diversity.

UOW is strongly committed to equity and social justice. Around 50% of our students are first in family. UOW has had a dedicated team that is committed to widening the participation of individuals from underrepresented backgrounds in higher education for more than 15 years. Activities are embedded in the Wollongong, Bega Valley, Eurobodalla, Shoalhaven, Sydney CBD, Southern Highlands, Sutherland Shire and South Western Sydney regions, where UOW has regional and metropolitan footprints. More than 3,500 students have graduated from UOW's regional campuses.

Australia's higher education sector needs to be positioned as a vehicle for social mobility. This means an increased focus on preparing students for employment and rewarding higher education institutions with increased graduate employment outcomes (not just access outcomes). Whilst there has been a strong alignment between universities and employability with further improvements in work-integrated learning over recent years, there is a need to provide students with tangible opportunities to 'earn while they learn', through meaningful employment that aligns with their focus of study. This will not only address issues around the cost of higher education participation, including living expenses, but also provide authentic learning experiences for students that can provide opportunities to put their course learnings into practice.

In many schools across Australia, in excess of 65% of students are still going directly into employment after school and are not accessing higher or vocational education. Presenting students with a 'packaged' opportunity for further learning and employment the government, higher education sector and business could alleviate concerns about the costs of higher education and provide students with the knowledge and skills to be successful not only in their studies but future careers.

Completion rates are often impacted by external factors, such as financial stress, family and cultural obligations, and distance from family and community. The current study support initiatives, including Abstudy, Austudy, Youth Allowance and the Tertiary Access Payment Scheme, are complex, resulting in unexpected gaps that see some students being ineligible for such support. UOW strongly advocates and supports calls for a review of the financial study support available to students, and for the introduction of a national scholarship and study support scheme, with eligibility criteria aligned to the national higher education equity agenda and timely application and response times to influence student decision making to pursue a higher education pathway. Such a scheme could include a universal basic income for school leavers until age 25, and rental subsidies and free transport for students.

## **Research Funding**

Australian Government funding for research is diverse for a variety of historical reasons. This is not necessarily a negative feature of the Australian funding landscape, as it can lead to enhanced collaboration, investment, and impact across various sectors. This said, many of the government organisations involved in the support of research have separate funding guidelines, application formats and assessment methods for the various competitive grant schemes they administer. This

often leads to fragmentation, causing confusion amongst researchers and industry whilst also requiring deep expertise on the part of research managers to negotiate the funding landscape.

As such, UOW recommends that the Commonwealth consider consolidation of competitive research grant mechanisms across funding agency boundaries, and integration of research grant application and management systems, in order to increase efficiency and transparency and reduce the administrative burden within the research sector.

Australian research and development (R&D) as a percentage of GDP is declining, as is Australia's share of global R&D. Universities play a vital role in delivering high-quality research connected to the needs of their communities. For example, in the five years to 2022, UOW has generated more than \$135 million in commercial research income. During this time, the University also launched six spin-out companies that have gone on to raise more than \$50 million in investor capital.

Therefore, UOW supports calls to fully fund research to grow research capacity and capability, including Australia's ability to attract research leaders, maintain cutting-edge facilities and engage internationally. Government granting bodies typically fund awards at 60-70% of applicant requests; grants normally exclude the significant cost of researcher salaries, and fellowship salaries fall significantly short of the actual salaries universities must pay to retain staff. Current Research Block Grant (RBG) funding does not fully cover the indirect costs of research activities. The lack of full funding means universities are cross-subsidising research out of other income, which significantly reduces the capacity of all universities to undertake large-scale research projects.

RBG funding is an important driver of research excellence and should continue. The discretionary nature of this funding allows institutions a degree of flexibility to provide essential support for existing research endeavours, as well as seeding the development of new emerging research activities, delivering programs to support research personnel and critical research infrastructure, and providing scholarship schemes for research students. Currently, such support is largely provided from teaching funds. The current inadequate support to institutions has seriously undermined research facilities in all areas. The lack of sustainable RBG funding has also created more focus on teaching and international student markets, diminishing universities' capacity to spend time on research and industry collaboration.

As such, UOW recommends that a much higher proportion, ie at least 70% of the current Commonwealth research funding allocation (estimated at over \$7 billion annually) be for Research Block Grant funding directly to universities with the mandate to strategically invest in institutional research activities. This could also support greater collaboration and knowledge-sharing between universities, as well as with industry and government partners. An agreement identifying key metrics between the government and each institution would need to be established as part of this process.

A bolder option for the Accord process would be to consider moving national research funding towards a simpler model, such as that currently employed for supporting the teaching operations of universities. Within the fixed funding envelope for research, a great deal of duplication and waste in the system could be eliminated by moving competitive grant funding into research allocations within compacts, agreed on a university-by-university basis. This could provide universities with the same autonomy to administer research internally as currently allowed for the provision of teaching and learning, and reducing the administrative burden on reviewers, panellists, grant applicants and

research managers. This would also enable universities more agility in responding to the research needs of local industry, government, and community.

## **Internationalisation**

Internalisation has long been a feature of the modern university, promoting knowledge acquisition, collaboration and economic growth. UOW has a unique position on the global stage, delivering world-class teaching to around 18,000 students in the United Arab Emirates, Hong Kong, China, Malaysia and Singapore. In mid-2022, UOW announced plans to establish a presence in India. Within this context, work is continuing to commence teaching and research in Gujarat International Fin Tech City by September 2023. Our growth internationally has been strong and UOW is one of only four Australian universities with more offshore than onshore international students. Extending post-study work rights visas to students studying offshore at an overseas campus fully owned by an Australian university is also an important consideration.

UOW has pursued a deliberate strategy of diversification in onshore international student enrolments and offshore growth to avoid overexposure to any single market. The University has increasingly deepened our connection with Central Asian countries, particularly India, Sri Lanka, Pakistan, Bangladesh and Nepal via research agreements, transformative projects, education exchanges and academic partnerships. Some 115 nations are represented in UOW's onshore student community, with India now our largest source of international students.

UOW supports the diversification of the international student profile and encourages the Federal Government to deliver policy initiatives that motivate universities to work towards achieving a more diverse international student base. We also encourage policy initiatives to deliver programs relevant to Australia's skills shortages and regional demands, and encourage international students to undertake study with Australian universities.

International onshore students contribute significant export earnings to the economy at regional, state and national levels. In 2019, international education was Australia's largest services export and third largest export, generating export revenues of \$41 billion.

In recent years, there have been well-documented concerns raised about the over-reliance of some universities on international student enrolments as a source of revenue, as well as the concentration of international students from certain countries in some institutions. The introduction of country-based market quotas for each university's annual international student intake would ensure student diversity and sustainability across institutions.

It is also important that a more transparent visa process is in place that encourages more high-quality students to consider Australia as their first choice of an international study destination. Within this context, it is proposed that the Government reconsiders continuing with the current process of SSVF (Simplified Student Visa Framework). SSVF and its associate risk assessment of universities send a very strong message of a complicated visa process for interested international students. This tends to further dent the interest from high-quality students as the definition of a student who meets the GTE (Genuine Temporary Entrant) criteria is not clear. The sector continuously witnesses inconsistent visa outcome rates. This impacts a student's experience as well as hinders a sustainable planning process

for universities. One solution to better control the quality of applicants coming to study in Australia would be to tighten the onshore movement of international students by restricting university transfers. The current SSVF process also defeats the purpose of the Government introducing new longer post-study work rights for international students opting to study certain programs. Students opting for quite a few of these programs have been refused a visa in the past, especially in areas like information technology and business.

UOW recommends that a more strategic approach to PhD student visa processing be undertaken which significantly reduces the time taken to issue such visas. While international PhD students are small in number, they create a voice that impacts Australia's broader recruitment efforts. They also are significant contributors to the innovation economy and Australia's global reputation.

According to *Australia's Migration Trend 2021-22 Highlights*, published by the Department of Home Affairs, the majority of Australia's migration program, ie around 62%, is sourced via the Skills Stream, which includes international students. Moreover, the number of permanent places obtained by former international students in Australia who transitioned directly from a student visa was 21,922 places in 2021-22, a decrease of 5.9 per cent from the 23,292 places delivered in 2020-21. This represented circa 15% of the overall migrant intake for 2021-22.

Within this context, UOW welcomed the announcement by the Australian Government in September 2022 that the planning level for the 2022-23 permanent Migration Program will increase to 195,000 places with the Skill Stream to account for 73% (142,400 places).

There is an opportunity to strategically link international students to Australia's skilled migration rebuild post-COVID-19. As such, consideration should be given to at least 50% of permanent residence places under the Skills Stream being allocated annually to students who have completed their studies in Australia or offshore at an overseas campus fully owned by an Australian university. Consideration could also be given to attracting future skilled migrants to regional areas to address localised workforce shortages.

## **Regional Development**

Regionally-based universities are often key drivers of economic and social development in their local communities and regions, providing education and training opportunities, research and innovation, and community engagement activities.

UOW was established out of demand from our local community and industries. The University is among the top employers within the Greater Wollongong region and provides economic leadership to grow and develop vibrant, prosperous and globally competitive communities. Generating over \$2.5 billion in gross output annually, UOW's campuses are continually enhanced and our facilities are aligned to changing centres of population and emerging regional priorities. Education, research, community, and business linkages are integrated to value-add economically, socially, environmentally and culturally.

For example, UOW's incubator and start-up initiative, iAccelerate, has supported over 300 new start-ups and scale-ups since its inception in 2016, delivering more than 1,000 new jobs via its resident companies. This has helped inject more than \$110 million into the Illawarra economy through wages

and contractor payments. UOW research, innovation and education are supporting the transition of the Illawarra economy from carbon-intensive industries into new, vibrant economies centred on clean, advanced manufacturing and clean energy production.

Large-scale collaboration across the Illawarra, which includes the UOW Energy Futures Network, is working to transition existing workforces in these industries toward new jobs in clean energy. This work has already resulted in the commercialisation of innovative energy solutions, such as the Hysata hydrogen production technology spun out of the University.

UOW has also coordinated Aged Care Traineeship programs in Bega in 2022, where we have worked with local Aged Care providers to offer cohort-based traineeships, whereby students gain paid employment, Certificate IV level study in a face-to-face cohort model with mentorship, as well as a guaranteed pathway into a local Bachelor of Nursing degree. This model is proving very successful in terms of retention of the workforce and completion of qualification and industry groups have sought to replicate it in other regions. UOW Southern Highlands is also offering this program in 2023.

Within this context, UOW proposes the establishment of a Regional Futures Fund to provide targeted funding to more formally reflect the role regionally-based universities play as anchor institutions within the respective communities and regions they serve.

This could include funding for initiatives such as regional development programs, research and innovation, entrepreneurship, industry engagement and community outreach. Targeted investments could result in significant economic benefits, including job creation, industry development, and increased productivity. The establishment of a Regional Futures Fund would support the growth of regional innovation ecosystems and promote collaboration between universities, industry, and government.

A Regional Futures Fund (RFF) could also be used to:

- Provide a Commonwealth Supported Place (CSP) loading for each domestic student who enrolls (including pathway courses) at smaller-based campuses based on Remoteness Area classification under the Australian Bureau of Statistics' 2016 Australian Statistical Geography Standard. This could enable providers to offer more courses to meet local industry and community needs. For example, a Diploma of Community Services leading directly to the third year of a four-year Bachelor of Social Work with local paid placement facilitation could reduce the overall cost of training for government, providers and students, increase retention and success, and fill employment gaps. This would also incentivise collaboration for dual sector courses in targeted employment areas utilising existing infrastructure.
- Enhance regional student support. Regional campuses receive many requests from a variety of students studying online programs across various universities to access local campus facilities, student support services such as Learning Development, Careers Consultations and generalist university navigational advice as well as social linkages with other students. Unlike Country University Centres, regional campuses, at present, are unable to gain funding to support these students from multiple institutions. An RFF would enable existing regional campuses of all universities to provide these important support services to local students.

- Provide conditional Commonwealth Supported Places to international workers for targeted courses in regional Australia where employment is evidenced. By way of background, regional employers are increasingly seeking innovative solutions via international workers. For example, Bega aged care providers and Bega Cheese directly employ overseas workers, and fund housing and support for their families. However, these workers are unable to further their education and fill additional workforce gaps, for example, as Registered Nurses are not eligible for Commonwealth Supported Places. Destination Australia Scholarships, whilst welcomed, are not meeting this gap.
- Develop culturally embedded pathways programs. Regional campuses have a larger percentage of Indigenous students than metropolitan-based campuses with higher success rates. Having culturally appropriate supported pathways programs for young Indigenous students in regions in collaboration with Lands Councils and schools would further increase these success rates.

## Workforce Planning

UOW welcomes the establishment of Jobs and Skills Australia, which formally commenced operation in November 2022 and supports its mandate as an independent agency, responsible for providing advice to the Australian Government to underpin Australia's response to current, emerging and future labour market and workforce skills and training needs.

Amendments to the Jobs and Skills Australia Bill last year recognise the vital role universities play in producing the skilled workers Australia needs to grow and prosper, and this means universities are now included within the scope of Jobs and Skills Australia.

There is now a major opportunity for workforce planning to be integrated with higher education policy outcomes, including targeted approaches in key industries such as health and energy and a geographical focus on rural, regional and remote Australia. This could include the allocation of institutional Commonwealth Supported Places to be underpinned by a national strategic workforce planning strategy in partnership with Jobs and Skills Australia. It is imperative that allocations are responsive to the needs of the workforce and the community and that more equity students are encouraged to these courses.

Capability assessments, for example, have pointed to shortages of a suitably skilled workforce in renewable energy technologies in the Illawarra. To address this, UOW secured funding from the Federal Government in the October 2022 Budget to establish a \$10 million Energy Futures Skills Centre. This initiative will design and deliver courses to train and reskill the clean energy and clean manufacturing workforces of the future. It is estimated that around 75 per cent of renewable energy job opportunities to 2035 could be distributed across regional and rural Australia.

Meantime, UOW has seen a large increase in the number of students interested in pursuing a career in nursing. The highest enrolment is at UOW's Wollongong campus. UOW's nursing training facilities at Liverpool and Sutherland are helping to meet the increasing demand for nurses due to population growth and a culturally and linguistically diverse ageing population and the Nursing Clinical Learning Facility at UOW Bega Valley is helping to augment the supply of trained nurses

into regional healthcare systems. UOW's Graduate School of Medicine (GSM) is actively working to bridge the gap between city and country when it comes to access to healthcare and exceptional specialists. Almost two-thirds of all GSM graduates are currently working in settings outside of major capital cities; just under half of these are in a designated rural setting. While only 17 per cent of all Australian graduates want to become GPs or rural specialists, 30 per cent of UOW graduates want to do so.

It is also important to ensure Australia's skills shortage list is kept consistent and reflects the needs of existing and emerging industries and businesses to support Australia's job landscape post-COVID-19. Alignment of post-pandemic skills shortages to specific discipline areas, and the linking of these to visa incentives of suitability qualified graduands would be beneficial.

A central component is increasing the focus on harmonisation and recognition of international qualifications through a competency assessment framework. It is suggested that the Federal Government seek to recognise foreign qualifications, particularly in areas of skills shortages. The Government should seek to clearly anticipate, identify and communicate projected skills shortages in Australia's labour market, and deliver incentives to Australian universities to offer these programs. Foreign students who undertake courses of study at Australian universities in these areas should benefit from access to a range of enhanced visa entitlements.

## Other

There are a number of other important aspects worthy of consideration which include:

- A continued focus on digitalisation. Robust digital platforms and online learning enabled business continuity and student engagement during the COVID-19 pandemic. Universities need to maintain this focus with an increased emphasis on digitalisation. The development of digital skills will be crucial for the future workforce and education providers, including universities, must adapt to meet this need. The COVID-19 pandemic has also highlighted the need for universities to adapt to digital learning and delivery models to ensure continued education during times of disruption. UOW's multi-award-winning *Preparing to Teach Online Program* was designed to support rapid remote delivery in 2020 in response to the COVID pandemic. Awards included the 2020 Australian Financial Review Award in the Learner Experience category for providing professional development in online teaching. UOW's Blended Learning Enhancement Initiative seeks to support the uplift of digital learning and teaching. The initiative is cultivating the culture and strategic direction needed to drive digital transformation to empower students for their future.
- Greater integration of higher education with other portfolios, particularly health, defence and industry. Universities contribute significantly to these sectors through research, innovation and education. This integration can lead to increased knowledge sharing, accelerated R&D, and workforce development. Importantly, it can lead to a more collaborative and coordinated approach to addressing the challenges facing society. The Defence White Paper 2016 outlined the importance of universities in supporting defence-related research and development, and called for closer collaboration between universities and the defence industry. The National Health and Medical Research Council has also emphasised the importance of collaboration

between universities and the health sector to improve health outcomes and increase the translation of research into practice.

- Opportunities to support greater engagement and alignment between the vocational education and training (VET) and higher education systems through the creation of a unified post-secondary funding model as part of the National Cabinet process. This would allow for greater alignment between state and federal funding models and priorities including the role of state governments to provide greater support to universities. We are at a critical juncture where education providers need to work together to update our offerings to match student, community and industry demands to produce graduates with the skills required for the jobs of the future.

We thank the panel for the opportunity to comment on the Accord's Discussion Paper and engage in this significantly important review.

Please do not hesitate to contact us should you require further information.

Yours sincerely



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