

Pre-Budget 2022-23

January 2022

The Australian Technology Network of Universities (ATN) believe this 2022-23 Budget is an opportunity for the Government to outline clear and bold plans, particularly those that facilitate a tripartite approach with industry and universities focussed on: securing Australia's skills future, creating home grown ideas and capability, and demonstrating leadership in the global skills boom.

ATN commends initiatives that grow the economy, support local and regional communities, create economic opportunities for small to medium enterprises, and reaffirm the importance of lifelong learning and educational aspiration. The Government should adopt these initiatives as part of a comprehensive package to address the skills crisis and post-pandemic recovery.

As part of the Government's considerations around this Budget, we present three key policy priority areas where universities, business and government can work together to secure our future prosperity and security.

These priorities are:

- **Securing our skills future**
- **Creating our own ideas and capability**
- **Leading the global skills boom.**

To address current skills gaps, we call on Government to support the creation of highly skilled and secure jobs that are within the reach of Australians across the whole nation. Australia's ongoing prosperity will rely on increased university participation across all communities, particularly regional and remote students and students from poorer backgrounds.

As a source of graduates, new ideas and capability, and global connections, universities are a core pillar of Australia's skills system. Priority growth sectors, including health care, manufacturing and defence, will be driven by the university graduates of the future.

ATN prides itself on its shared mission to ensure Australia's higher education system remains open, fair and accessible, and meets the needs of industry (particularly Australia's 2.3 million small and medium enterprises).

ATN has nine actions that we call on the Government to address in this upcoming Budget:

Securing our skills future

Australia's skills future will be secured if the Government works in partnership with industry and universities to develop the skilled workers, secure jobs, and prosperous communities that will drive our country. Australians should aspire to contribute to our skills future and have the opportunity to fulfill those aspirations.

- 1. Ensure access to high-quality post-18 education through high-quality first degree pathways that reflect societal need**
- 2. Maintain and extend the skills of Australians through shorter flexible university courses co-created with industry**
- 3. Close the Gap by ensuring that all First Nations Australians can access, and succeed in, post-school education pathways.**

Creating our own ideas and capability

By harnessing Australia's own ideas and capability we can develop and make the most of our own skilled workforce, deliver on national priorities, and build secure and trusted foundations.

- 4. Enshrine the newly announced research commercialisation programs in legislation, as part of the discovery-to-commercialisation pathways to meet the challenge of new idea development and supporting business-university partnerships**
- 5. Ensure Australia's defence, security and sovereign capability by developing our ideas, expertise and infrastructure**
- 6. Invest in a comprehensive and cohesive research strategy that aligns Government priorities and community benefit.**

Leading the global skills boom

Australia should lead the global skills boom by providing high-quality and innovative education, and attracting and retaining the most talented and entrepreneurial students.

- 7. Complement domestic education and skills provision with a competitive, balanced and high-quality migration system that facilitates filling urgent and persistent skills gaps**
- 8. Invest in a high-quality approach to international education that builds Australia's reputation at home and abroad**
- 9. Create international awareness, recognition and investment in Australian education through ongoing government-to-government dialogues.**

Securing our skills future

Action 1: Ensure access to high-quality post-18 education through high-quality first degree pathways that reflect societal need

A high-quality post-18 education will enable Australians to fulfill their potential and allow Australia to grow and develop. Nine out of every ten jobs created over the next five years will require a post-18 education, so it is vital for Australia's prosperity.

Universities need to be recognised and utilised by the Government as a vital part of the skills solution for our nation. This needs to sit alongside cooperation with industry and important investments by governments in vocational education and training and apprenticeships. Priority growth sectors, including health care, manufacturing and defence, are heavily dependent on a university educated workforce.

Working together, industry, universities and the Government can create highly skilled and secure jobs that meet the needs of the nation and the aspirations of Australians. ATN universities have long understood the importance of listening to and partnering with industry to ensure they have a stake in ensuring Australians have the skills they need now and into the future.

Government action required:

- Enable universities to teach enough students to supply local and regional businesses with the skilled graduates they need to grow and create more jobs across the country
- Target funding for universities that are serving a broader, more diverse range of students like regional, first-in-family and poorer students
- Prioritise assistance for universities that incorporate work-integrated learning and prioritise graduate outcomes as core part of their student experience.

Action 2: Maintain and extend the skills of Australians through shorter flexible university courses co-created with industry

The need for established pathways for upskilling and reskilling has been reinforced by numerous short-term challenges such as disruptions to skilled migration, remote and flexible working, disruption to face-to-face service industries, increased and unpredictable demand for workers, and supply chain and freight restrictions.

These pathways also prepare Australia for long-term challenges such as industrial transformation, regional development, and the changing demographics of the workforce.

They must be part of a system that encourages and enables Australians to continue accessing high-quality and relevant education and training through their lives. These measures can support individual aspirations and community development.

Many of the new workers Australia will need in the health care, technology and manufacturing sectors will have existing skills and experience. It is important we recognise this background appropriately and provide more than the traditional offerings - three-year undergraduate degrees or two-year postgraduate courses. Local businesses also cannot afford to wait that long in a competitive global environment. We will need to offer more flexible, adaptive and innovative education options.

Government action required:

- Provide ongoing and sustainable funding for shorter university courses
- Ensure high-value shorter courses are recognised and transferable with a plan to create enduring skills passports
- Enable an industry-led approach that allows businesses to co-design and access timely skills solutions
- Plan the skills development of the next generation through individual skills accounts.

Action 3: Close the Gap by ensuring that all First Nations Australians can access, and succeed in, post-school education pathways

Ensuring that all First Nations Australians can access a place in post-school education and succeed is fundamental to achieving the Closing the Gap target of 67 per cent of Aboriginal and Torres Strait Islander youth (15-24 years) in employment, education or training by 2031.

This should be the same regardless of the course they choose, whether that be in vocational education or university, and regardless of where they live, whether that is in regional area or not.

As the Prime Minister, Scott Morrison, has said in several statements about Closing the Gap, education is fundamental and provides the foundation for a successful life.

I've always said that Closing the Gap is, at its core, about children.

The ultimate test of our efforts is that every Aboriginal and Torres Strait Islander boy or girl can grow up with the same opportunities and the same expectations as any other Australian child.

Speech on Closing the Gap Implementation Plan, 5 August 2021

You get the education right - skills, jobs, security, health, prosperity, and longevity all follow...

We know that whatever we can do to get more kids in school, finishing school, and going on to further study - it all helps to set them on the path to a better life.

Address, Closing the Gap Statement to Parliament, 12 February 2020

While First Nations Australians from regional areas are guaranteed a place they are offered at any university, the same does not apply for everyone. Over a third of First Nations Australians do not live in a regional or remote area and are not afforded the same opportunity.

Providing a place for these students is just one part of the action we all must take to Close the Gap. The Government should also support universities that demonstrate a genuine commitment to cultural support for inclusion and success.

Creating our own ideas and capability

Action 4: Enshrine the newly announced research commercialisation programs in legislation, as part of the discovery-to-commercialisation pathways to meet the challenge of new idea development and supporting business-university partnerships

The recently announced Australia's Economic Accelerator program, industry PhDs and industry fellowships, and Trailblazer Universities Program are significant investments in research commercialisation and industry engagement that deserve to be enshrined in legislation. This will ensure their place as part of scalable and sustainable research investments in Australia's prosperity.

Scalable means that the investment can change and grow with the success of the research and its output. Sustainable means that long-term investments from Government, universities and industry are enabled and encouraged. Together these two factors will ensure that we can recognise, reward and maintain successful and productive research.

Opportunities for research commercialisation are built on the foundation of a pipeline of skilled graduates in national priority areas, a pipeline of fundamental discovery research, and a healthy international education system (including research students). In order to maintain universities' supply of ideas and expertise to industry, a broad range of research is needed including research in the humanities, arts and social science that is vital for understanding our world and the people in it, and research that extends beyond the National Manufacturing Priorities.

Government action required:

- Enshrine the newly announced research commercialisation programs in legislation, as part of a comprehensive system of discovery-to-commercialisation research
- Increase the level of university research funding to boost the output of new discoveries and innovations with commercial potential.

Action 5: Ensure Australia's defence, security and sovereign capability by developing our ideas, expertise and infrastructure

Recent domestic and international events – including regional instability, cyber warfare and supply chain disruptions – have focused attention on our defence, security and sovereign capability. Australia's capacity to conduct research, safeguard resulting intellectual property, share that with trusted partners, and engage in secure product development will be crucial to protecting and promoting Australia's interests.

Australia's universities are well positioned to participate in this research and development due to an ever-increasing awareness of and vigilance towards security risks. Universities have worked diligently with the Government through initiatives such as the University Foreign Interference Taskforce, Defence Industry Security Protocol, defence trade controls, sanctions regime and critical infrastructure reforms.

To take advantage of this secure foundation, strategic and targeted investment in shared research infrastructure is crucial. This would help to make efficient use of the resources available and encourage secure collaboration and cooperation between the Government, universities, research institutes, and other trusted parties.

The Government should build our research expertise through a combination of developing local talent and skilled migration. Creating clusters of specialised and highly sought-after researchers and infrastructure in Australia enables high level research and innovation.

Attracting and retaining research expertise and activity in Australia creates the right ecosystems for our industries to collaborate with researchers and commercialise that research. A high concentration of research talent is needed to maintain a critical mass of research and commercialisation activity. This will generate more research activity, attract more global funding and investment, and produce more commercialisable products and innovations – this in turn leads to more local economic activity and employment and more global connections.

Action 6: Invest in a comprehensive and cohesive research strategy that aligns Government priorities and community benefit

The Government is pursuing a range of national strategies that will rely on research, innovation and development – including the Modern Manufacturing Strategy, the National Science and Research Priorities, the National Climate Resilience and Adaptation Strategy, the Blueprint for Critical Technologies, Australia’s Long-Term Emissions Reduction Plan and the University Research Commercialisation Scheme.

To coordinate the investment in research across all of these strategies and priorities, the Government should plan and invest in a comprehensive research strategy. This should be done in a way that encompasses the whole of Government and preserves the existing investments in research through the research block grants, Australian Research Council and National Health and Medical Research Council.

The Medical Research Future Fund is a good model for such an investment. It would guarantee long-term funding stability, but also be responsive to emerging and developing Government research priorities. This would concentrate the Government’s direct investment in research that fits its priorities.

Leading the global skills boom

Action 7: Complement domestic education and skills provision with a competitive, balanced and high-quality migration system that facilitates filling urgent and persistent skills gaps

Australia needs a cohesive and joined-up skilled migration system that is easy to navigate for all parties in the system – students, graduates, workers and employers.

The strengths and quality of our international education system provide an ideal foundation on which to build skilled and permanent migration and meet the needs and aspirations of Australians, local industry, students and migrants. Given Australia's current skills gaps, we will need to take some steps to cultivate this pool of talent.

This is already recognised in the Government's Australian Strategy for International Education 2021-2030:

Ongoing flexibility in Australia's migration policies will be an important part of enhancing Australia's competitive position overseas. There is a need to better target international enrolments towards Australia's future skills needs to grow businesses, create more local jobs and aid our economic recovery.

Our international education system, combined with a cohesive, streamlined and easy to navigate migration system, is ideally placed to fill urgent and persistent skills gaps in the Australian economy.

Additionally, an important component of Australia's current approach is the flexibility that the Government and TEQSA have enabled in the last two years, with visa conditions such as working hours and online study. Universities have demonstrated that this flexibility can be used responsibly to maintain continuity and quality for international students. This flexibility has become the norm and should become an enduring feature of our system.

Action 8: Invest in a high-quality approach to international education that builds Australia's reputation at home and abroad

There are broad economic, social and cultural benefits from maintaining our high-quality international education system. The sector's success is dependent on connecting the Australian public to the value and social license of international education through an appreciation of both the direct and indirect benefits the sector provides to the wider Australian community.

Australia has been so successful in international education because of its quality education offerings – students can study at globally-recognised universities, gain work experience while they study and live in a safe and multicultural society, enjoy a high standard of living, and have the opportunity to work or do further study in Australia after they graduate.

The value proposition for a high-quality Australian education is based on:

- Teaching and learning – high quality, recognised qualifications
- Experience – the environment, culture and connections students make whilst they are studying.

To maintain the same high-quality education for students studying offshore as students studying in Australia, the Government and universities will need to invest in high-quality, high-contact experiences such as those offered through transnational education. Partnerships between the Government, universities, and foreign institutions and governments are crucial to establishing viable transnational campuses.

Action 9: Create international awareness, recognition and investment in Australian education through ongoing government-to-government dialogues

ATN recommends a greater integration of transnational education in all bilateral and multilateral dialogues into the future. One way of achieving this is to create a mechanism that brings together the sector in advance of agreements being pursued to agree to specific paths or activities to embrace in the agreements. Speaking with a clear voice representative of the views of the sector on agreements into the future is important to maintain a globally competitive edge.

Government-to-government dialogues are also important in securing international recognition of Australian education, including:

- overseas recognition of Australian qualifications
- overseas recognition of online teaching and learning.

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