

ATN Response to Universities Accord Interim Report

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Executive summary

The legacy of the Accord should be that generations of Australians are prepared and empowered to shape the world they want to live in.

The Accord should be an ongoing and sustainable partnership between universities, federal, state and territory governments, vocational education and training providers, unions and employers. It should recognise and balance the responsibilities of each of these partners. It should ensure that there are appropriate governance and resourcing in place to make this partnership effective.

Challenges that must be addressed in the Final Report

The Accord should focus on the necessary, but difficult and intractable reforms needed to modernise Australia's post-secondary education sector. This will require a long-term vision, a united sector and sustained momentum over multiple funding and electoral cycles.

Three major challenges for the Accord are:

Participation, equity and skills challenges

To create the cohesive and student-centred post-secondary education system required to meet Australia's participation, equity and skills challenges, the Accord must broker an agreement across multiple governments and education sectors on funding and other practical considerations.

Research and teaching at scale

To link the ideas and innovations of tomorrow with the education of the people needed to realise them, the Accord must plan for a funding system so we can grow both our teaching and research provision as Australia needs in scale, quality and accessibility.

Global engagement and social licence

To continue to strengthen the impact of universities the Accord must support Government strategies and policies that enable local and global engagement. Developing educational and cultural links with other nations and their diaspora and migrant communities in Australia benefits all involved

In addition, the Accord Panel should consider the cumulative impact of its proposals on university operations. It should seek to minimise unnecessary administrative burdens and ensure a stable funding environment.

The proposals of the Accord will require a long-term stable funding commitment by the Commonwealth and a recognition of the fair costs of these initiatives as well as core university activity.

Neither the core functions of universities, nor critical Government priorities, should be solely reliant upon precarious funding sources. Proposals, such as creating a fund from a levy based on international student revenue, will be unlikely to achieve equity and sustainability goals without a long-term, stable and matched Commonwealth funding commitment.

ATN's priorities

The challenge for the Accord Panel in preparing its Final Report will be to chart a practical roadmap for change, to identify priorities and to be more specific about proposals.

It is a challenging task. To assist, the ATN recommends that the following areas should be the major priorities for the Panel in developing proposals for its Final Report.

To build an effective and enduring Accord, the Final Report should be guided by the following priorities:

- How to develop a coherent, national and universal post-secondary education system
- How to achieve equitable access to post-secondary education
- How university research and the innovation ecosystem is developed and supported within an expanded post-secondary education system
- How the funding models need to change to produce stable yet responsive sector financing
- How to sustain the commitment to and direction of sector development

ATN urges the Accord Panel to build a set of coordinated recommendations in these areas to form the basis for a strong and sustainable, equitable and accountable university system that distinctively recognises Australia's national needs and our unique history.

These five priorities are discussed in more detail below in the main section of this submission - *Priorities for the Accord and developing a practical roadmap for change*.

Attachment A provides responses to many of the suggestions in each of the major sections of the Interim Report, outlining areas ATN supports and recommendations for further action by the Panel.

Attachment B provides ATN's response to the immediate actions recommended in the Interim Report.

Priorities for the Accord and developing a practical roadmap for change

The Accord Panel's Interim Report has successfully outlined a wide range of substantive issues that need further consideration and will potentially have significant implications for the development of Australian universities and the post-secondary education sector more generally. It has argued that considerable growth is necessary across both teaching and research. Combined with the proposals for greater financial and learning support for students, the financial implications for government are significant. Changes proposed for the nature of credentials and their delivery, and for sector governance, are also substantial.

The Interim Report does not include sufficient analysis and data to identify the precise nature and importance of current problems and yet the proposed solutions have potentially significant implications for universities' long-term operations and administrative workloads during transition. It would be useful for the Final Report to clearly identify the relative priority of issues and consider their sequencing and implications for the allocation of government and sector resources.

Universities are highly complex organisations to manage. Their governing bodies are responsible for the overall performance of the university, monitoring its operations, ensuring compliance and high ethical standards. They need to set strategic directions and build strong relationships with the community and industry. This requires people with expertise in universities who are concerned about all aspects of the university, rather than focussed on particular sectional interests. Most universities currently have a number of student and staff representatives on their governing body. However, it is important that governing boards also include representatives from different industries who bring the perspectives of the stakeholders who employ our graduates and engage with our research.

In formulating proposals for its Final Report, the Accord Panel should consider the cumulative impact of its proposals on university operations. Universities currently have substantial administrative and regulatory workloads, yet are often criticised for the size of their administrations. Current issues receiving significant public attention require detailed operational responses to address the concerns being raised. The Final Report should acknowledge that there is a need to contain regulatory and administrative workloads to essential matters so as not to impede core functions related to teaching, research and research translation.

The five priorities that the Final Report should address to guide an effective and enduring Accord are:

1. How to develop a coherent national, universal post-secondary education system

The Panel should consider how future growth in post-secondary education will differ from that which occurred under the former Bradley approach. This needs to include consideration of the changing models for delivery not just within the post-secondary education sector but also from non-traditional educators.

Further growth of the magnitude contemplated by the Panel is unlikely to come from an increase in the flow of school leavers into universities. Given the gains in attainment that have already occurred, a different approach is likely to be required to make further progress in raising attainment and achieving equity.

Achieving that further progress will likely depend on fostering lifelong learning alongside concerted efforts to ensure the system is delivering Australia's future skill needs and reducing skills shortages. It requires practical steps to be taken to achieve greater integration of the post-secondary education sector and a systems approach which considers how the secondary and tertiary sector work in partnership to achieve attainment targets.

In its next phase of work, the Panel should increase its focus in this area. Strong progress in a relatively short period of time is required in two major areas:

- progressing the recommendations of the AQF Review; and
- developing the 'building blocks' that are essential for many of the proposals before the Panel, such as skills passports, pathways, recognition of prior learning, micro-credentials and other short forms of learning.

The Panel should develop specific proposals for how work on these two matters is organised and coordinated, and the timeframes within which defined milestones should be completed.

Cooperative Skills Centres (CSCs) would support this work. They would provide a hard-edged test bed that should be utilised to assist in the development and testing of practical proposals.

The respective roles, funding and shares of student load to be carried by universities and TAFEs in this new environment needs further consideration, along with how a universal learning entitlement should be structured to achieve an appropriate distribution of resources and promote greater parity of esteem. The split of responsibilities across state, territory and federal governments increases the complexity of this task, but it cannot be ignored.

2. How to achieve equitable access to post-secondary education

A high priority should be placed on how to fund and support the learning needs of under-represented students.

These costs can be significant, as demonstrated in a [recent study](#) that determined that full-time low socio-economic status (SES) students are four to six times more expensive to support. The study suggested that the average annual cost of a low SES undergraduate student full-time enrolment was AUD\$109,430, compared with the average cost for medium and high SES students at AUD\$17,360.

ATN supports a block funding approach to support the learning needs of students, rather than a completely formula-driven financial loading. Without support for capacity building, outreach and success, we risk shifting the existing student load around the sector rather than expanding the cohorts.

The fundamental issue is the additional cost to those universities who are doing the hard work to improve participation and attainment of under-represented groups – including First Nations people, lower socio-economic groups, people with disability and those from rural, remote and outer suburban communities.

Funding should recognise and be linked to this aspect of university missions. It is one of the parameters along which diversity in the sector should occur.

The Panel should do further work to develop specific proposals to reduce cost-of-living barriers for students through improved income support measures and to support students undertaking clinical placements and other forms of work integrated learning. These should be framed so that they can be adapted to an environment in which there is a more integrated post-secondary sector.

3. How university research and the innovation ecosystem is developed and supported within an expanded post-secondary education system

While ATN recommended a review of the national research and innovation ecosystem in its response to the Accord discussion paper, the Panel should not defer consideration of how universities should be funded to pursue their research missions and strengths. ATN is available to provide support and assistance to the Panel in its further consideration of the matter.

The directions set for research, research translation and innovation through the Accord process should provide the necessary frame against which a future and vital review of the national research and innovation ecosystem, covering all directly funded Commonwealth research and agencies, including CSIRO and others, can be conducted.

There are strong interconnections between how our post-secondary education system needs to be developed and how we advance national priorities for industrial development, research and innovation. The demands of advanced manufacturing, the need to increase Australia's industrial capability, sovereign capability and the growing complexity of our economy mean these two issues need to be considered in tandem.

The Panel should consider how university research, research translation and innovation are developed and supported in the context of its proposals for further expansion of the post-secondary education system. There are critical questions about how much research and innovation is to occur in that environment, how it should be funded and how the required future effort should be distributed.

There is currently an imbalance in the funding of medical and non-medical research and research translation. If Australia is to meet its current economic development challenges and achieve greater sovereign capability particularly as we move to a carbon-free future, there is a strong case for increased funding and support for non-medical research and research translation.

ATN believes that both competitive volume-based funding and block grant funding to support university mission-based activity will be necessary to ensure the higher education sector is able to play its critical role in meeting economic, social and security challenges. The specific research, research collaboration and translation activities expected of individual universities should be more explicit and transparent than is currently the case. These are integral to university missions and should be appropriately resourced. This is another of the parameters along which diversity in the sector should occur.

4. How the funding model needs to change to produce stable yet responsive sector financing

The Panel should develop concrete proposals for funding student places to replace those of Job-ready Graduates. These proposals need to deal with Commonwealth Grant Scheme subsidy rates, as well as adjusting student contribution rates to make HELP fairer. The model should not seek to overtly influence student choices, as students are more effective at responding to emerging labour market opportunities and national priorities, than centralised administrations are at adjusting incentive structures.

Nor should the model be structured in such a way that it discourages universities from responding to student choice, as students are ultimately responsible for their success. The model should be fair to both students and universities, providing affordable education for students and a sustainable financial base for universities.

Student-centred, activity-based funding may result in key strategic courses becoming unviable for universities due to a lack of local scale (e.g. a diverse choice of languages). In these select cases, there is a need for a mechanism to support universities and students without distorting choice or affordability.

The model should better recognise the importance and documented success of enabling pathways and programs and should deal with how those programs are funded when provided by universities and by TAFEs. Funding mechanisms across the higher education and vocational education systems may not be identical, but they should be based on similar principles and enable comparable levels of quality.

The Panel should consider in greater detail what funding should be provided based on the volume of university activity and what should be provided as block funding to support the particular mission of each university.

A cautious approach should be taken to extension of Commonwealth Supported Places and funding arrangements beyond public sector institutions. Funding for very short form courses is potentially fertile ground for unethical players and the Government should not open itself up to fund existing activity for continuous professional development or skilling activity that is more appropriately supported directly by industry.

5. How to sustain the commitment to and direction of sector development

ATN welcomes the Interim Report explicitly raising how to build an enduring Accord and agrees that there needs to be a framework to ensure sustained sector development and the maintenance of collaborative effort across stakeholders.

ATN in its response to the Accord discussion paper indicated that there may be a role for a dedicated independent authority primarily to assist with implementation of significant changes. The Panel has indicated it may consider a Tertiary Education Commission (TEC).

If the Panel chooses to go down this path, it should make firm recommendations about the place, purpose, function and expertise of the TEC. It should consider recommending that the authority be administrative, rather than statutory, and that it be created as a time-limited body to implement the Accord.

There are currently many elements and institutions in the governance framework for higher education. An increase in complexity is undesirable and an excess of centralised control would not produce the outcomes being sought.

The Panel should consider carefully, and in detail, how any authority fits within the current governance framework and should be alert to the possibility that a TEC could increase regulatory burdens and further complicate governance. An abundance of care must be taken to ensure that the TEC does not duplicate efforts of other regulators and does not itself create further administrative and regulatory burden.

The primary purpose and particular functions of any such authority need to be clear. The characteristics and quality of appointees to the authority will be critical to its potential success.

Detailed comments on the various possible areas for further consideration outlined in the Interim Report are in Attachment A.

ATN's detailed response to areas of further consideration

This section of the submission responds to each of the major sections of the Interim Report. It outlines which areas ATN supports and provides ATN recommendations for further action by the Panel.

1. Putting First Nations at the heart of Australia's higher education system

ATN supports a strong First Nations voice in how to increase First Nations participation, completion and research capability.

- Note that the approach may depend on outcome of the Voice referendum and, if successful, the resulting legislative form of the Voice, as well as on arrangements regarding a Tertiary Education Commission (should that idea proceed).

2. A larger, fairer system

ATN recommends that the Panel focus on how future growth in post-secondary education will need to differ from the former Bradley approach.

- The Interim Report suggests very ambitious targets for overall sector growth, as well as for First Nations participation and completion rates and the achievement of parity by 2035 for a range of under-represented equity groups.
- ATN is supportive of overall sector growth but notes that it can only occur if government is prepared to commit funds for the expansion.
- Bradley raised higher education attainment by setting a target of 40 per cent of 25-34 year olds having a Bachelor degree. Increasing attainment by a further 15 percentage points will require a different, more nuanced approach. No-one wants to see high levels of attrition and growth in debt-burdened students who have limited prospects of repayment.
- Future growth in post-secondary education will partially rely on the robustness and quality of the linkages and pathways between primary, secondary and tertiary education.
- However, an emphasis only on school leavers entering higher education will not work. There should be greater emphasis on:
 - lifelong learning to help meet Australia's skill needs;
 - the development of a system wide approaches to:
 - the respective roles of universities and vocational education/TAFEs in short form courses and industry specific skills development; and
 - the areas in which formalised pathways from vocational education/TAFEs to university are feasible.
- Further comments supporting this recommended approach are included in the next two sections dealing with skills and equity.

3. Meeting Australia's future skills needs

ATN recommends that there be university and TAFE involvement in the work to progress the recommendations of the AQF Review, noting that the ATN **supports the Panel's view to** have industry, unions and government progressing those recommendations as a matter of priority.

ATN recommends that development work for a National Skills Passport also be accorded a high priority. This development work should focus on the potential content of a passport, not its form.

- The passports should assist students to undertake post-secondary education pathways that are flexible, relevant and recognisable by employers. They should allow a combination of longer form learning that builds personal and professional identities with shorter form learning that fosters discrete skills.
- Passports should provide education providers (including universities and TAFEs) a framework for the wider recognition of the knowledge and skills they create and deliver in partnership with industry.
- The focus should be on what 'blocks' of skills/learning should be recognised, particularly to improve recognition of prior learning, reduce barriers from vocational education to universities and form the basis for closer university and TAFE collaboration. Ideally, these 'blocks' should be certified to an agreed quality standard and recognised within particular industries.
- Priority should be given to those areas where there is likely to be most immediate gain in terms of meeting Australia's skills needs. There may be potential for some short courses and credentials to meet particular skill needs, but the areas in which this is possible need to be identified, along with the most appropriate method of delivery for these short courses and credentials. Some areas of skill shortage cannot be met by such approaches, for example the shortfall in engineers.
- In December 2021, the University-Industry Collaboration in Teaching and Learning Review was completed and in early 2022 an initial Government response was issued. The review was undertaken by Emeritus Professor Martin Bean CBE, former Vice-Chancellor of RMIT, and Emeritus Professor Peter Dawkins AO, former Vice-Chancellor and President of Victoria University. Progress implementing this review has been slow.

ATN recommends that the Panel consider how progress on the AQF Review and the building blocks for a National Skills Passport be organised and coordinated, and the timeframes within which defined milestones should be completed.

- The required work is detailed, complex and time consuming. It is likely to require multi-party working groups of relevant industries, unions, professional associations, universities and TAFEs, and governments.
- In particular sectors, similar work is being undertaken by Jobs and Skills Councils (JSCs).

ATN recommends that a cautious approach be taken to extension of Commonwealth Supported Places and funding arrangements beyond public sector institutions.

- Greater recognition of skill sets, short courses and micro-credentials is potentially fertile ground for unethical players.
- Government should not open itself up to a funding role in areas that may be more appropriately supported by industry and/or existing mechanisms for continuous professional development.

4. Equity in participation, access and opportunity

ATN recommends that the Panel explore the benefits of a block funding approach to support the learning needs of students, rather than advocating a completely formula-driven financial loading for this purpose.

- The fundamental issue is the additional cost to those universities who are doing the hard work to improve participation and attainment of more educationally disadvantaged people.
- The identification of those additional costs cannot be reduced to statistical indicators for a narrow range of individual characteristics, despite this information being of use.
- Educational disadvantage is complex. While the six identified equity groups are important, we must allow for flexible identification of students and the servicing of their needs which may be related to a wide variety of circumstances, for example their particular migrant community, autism, incarceration, adult workers whose industries are in transition and people who have experienced mental ill-health or family violence. We encourage the Panel to continue to work closely with the National Centre for Student Equity in Higher Education (NCSEHE); they have the expertise required to identify evidence-based interventions for students from different equity groups.
- An element of judgement is needed to inform block grant allocations and institutions should then be held accountable for their performance in supporting under-represented students to attain an appropriate educational outcome.

ATN supports the Panel further developing measures to reduce cost of living barriers to higher education through improved income support measures. There is a high potential cost to government of such measures and ATN's proposal for a National Participation Fund may provide a potential alternative method of helping particularly disadvantaged students with living costs. Placement poverty is currently causing considerable stress for many students who must forego paid work while on placement.

ATN recommends against the Panel further exploring a national approach to post-secondary education admissions at this stage.

- There are higher immediate priorities, such as the work on AQF Review recommendations and development work for a National Skills Passport. The most important admissions issues relate to matters such as skills pathways and recognition of RPL and these should be progressed through work on a National Skills Passport.
- Generally, educational institutions should continue to determine who they admit, based on an assessment of a person's capacity to successfully complete. These assessments should be simplified and enhanced if there is a successful implementation of a National Skills Passport, but that is a significant challenge that should be given priority.

5. Excellence in learning, teaching and student experience

ATN supports the Panel's view about the importance of effective learning and teaching practices, encouraging innovation and collaboration to improve those practices and efforts to enhance the development of academic staff, particularly new educators.

ATN notes that these issues are core business for universities. Universities would welcome additional Government resourcing and support for such work, but Government has backed away from such activity over the past decade. The work requires stable organisational and funding arrangements.

6. Fostering international engagement

ATN supports the Panel's recognition of the importance of integrating international education with Australian strategic and foreign policy developments to ensure that the benefits of international education are experienced at a national, regional and local level.

- There should also be a recognition of the benefits of helping communities at home and abroad. Developing educational and cultural links with other nations and their diaspora and migrant communities in Australia benefits all involved.

ATN recommends the Panel consider measures that extend the same high quality higher education approach to all onshore and offshore delivery and encourage diversification of markets at an institutional level. This should extend to government-to-government linkages and would also consider how best to roll-out a framework for mutual recognition of qualifications with countries throughout the Asia-Pacific region.

ATN recommends that the Panel consider ways to strengthen the social licence for international education within the Australian community. There is potential for an International Education Ambassador to have real impact here.

7. Serving our communities

ATN recommends that the Panel focus on only two of its three possible areas for further consideration:

- recognising and formalising the role of universities in their communities. A university's location and the places of its communities are critical to the role that governments and these communities expect it to play. These roles should be explicitly recognised in university mission-based accords and funding arrangements should recognise and support them.
- creating stronger links between industry and education, particularly in regional areas and other areas with low participation and attainment rates. This is a significant part of the role universities play in their communities because it directly contributes to the economic wellbeing of those communities. It also differs between communities because there are significant differences in the circumstances of those communities. There needs to be a focus on the particular role that each university is playing.

There is considerable debate about the need for and extent of diversity in higher education institutions. There is a strong case for that diversity to be heavily grounded in the place-based mission of each university. This should be a higher immediate priority for the Panel than putting effort into considering how institutions might draw on the strengths of their alumni communities. Many institutions are already active with their alumni communities, especially those most able to benefit from it.

8. Research, innovation and training – protecting the basics

ATN recommends that the Panel reaffirm that research is integral to universities and that for a cohesive approach to research it must form part of the Accord.

ATN recommends that universities should be funded to pursue their research missions and strengths.

ATN recommends that the Panel undertake further consultation and work on how to improve the National Competitive Grants Program.

ATN believes that, in Australia, there is an inadequate emphasis on non medical research areas, some of which will be critical to our future economic development. The adequacy of overall funding and of the funding of approved projects needs to be examined, particularly in light of the substantial reductions in the funding of engineering and science disciplines under Job-ready Graduates.

The full cost of research is not currently funded. There needs to be consideration of how that funding shortfall is to be met, given that current policy implies it is not to be sourced from domestic teaching revenues.

See item 12 below for comments on funding for critical teaching and research infrastructure.

9. Research, innovation and training – sharing and translation of research

ATN recommends that the Panel provide strong support for partnerships with industry to address nationally significant challenges and to better support the research priorities of industries and local and regional communities. Most benefit to Australia is likely to be achieved by focusing these efforts on small and medium enterprises which are domiciled in Australia.

ATN universities are working to develop opportunities with industry to enable people to undertake a PhD relevant to their firm. The *ATN Frontiers* program develops research students' knowledge, skills, and ability to shape the future of innovation and productivity in industry, providing them with the skills to take their research further into their careers and industry. ATN is supportive of further efforts in both of these areas, noting that they need to be targeted and require the building of capability to be effective.

Many research students already come with industry experience. The average age of PhD candidates at ATN universities is typically higher than 35 years. If we want to increase the number of students, we must reconsider asking mid-career professionals to leave a well-paid position for a stipend worth less than \$40,000 per annum.

Currently, the number of mid-career professionals who return to university to undertake a PhD is overlooked. Many of these candidates seek to do research on problems they have encountered in industry yet this work and the connectivity with industry it entails is not adequately captured in current policy discourse.

ATN recommends that the Panel encourage government to become an exemplary user of university research. There are strong arguments to support greater levels of academic consulting, in particular to supplement public sector capability and support the independent review of government policy and programs.

There would be value in universities being directly accountable for their research and major research collaboration and translation activities. This requires a more explicit and transparent focus on university decisions about where to devote their research expenditure and the alignment of these decisions with the university's missions and purposes.

- Facilitating this accountability is potentially part of the role of a Tertiary Education Commission. Through its role in the provision of funding based on mission, place and purpose.
- It should help promote diversity of mission among Australia's developing post-secondary education institutions.

10. A coherent national tertiary system

ATN recommends that the Panel focus primarily on one of its four possible areas for further consideration - exploring the benefits of establishing a Tertiary Education Commission (TEC).

ATN previously advocated a dedicated independent authority with responsibility for individual university accords. This may not require the creation of a statutory entity. Any specific arrangement put in place should initially be time limited and there should be an assessment of effectiveness during that initial period.

The Panel should consider in detail and make recommendations on:

- the primary purpose of such an authority;
- the essential characteristics and qualities of appointees to the authority;
- its particular functions; and
- the timeframe over which its success could reasonably be judged.

The remaining three of the four possible areas that the Panel has nominated for further consideration would appear to be matters that may relate to the authority's objects and functions. They are most appropriately considered in that context. These areas were:

- facilitating and encouraging change and evolution in the type, diversity, size and number of tertiary education institutions;
- ensuring tertiary education regulation enables innovation; and
- continuing work towards an aligned tertiary education system, including encouraging parity of esteem between vocational education and higher education sectors.

11. Strengthening institutional governance

ATN recognises the critical importance of good governance, leadership and culture in our universities.

Universities are among the most complex organisations to manage in modern society. As federally funded state entities, they are subject to the complex financial and governance requirements of state, territory and federal governments. They are also subject to a vast array of regulatory and reporting regimes associated with all the fields in which they teach and research. There is a continuous stream of review activity and improvement projects that require resourcing and management.

There is scope for governments to minimise this burden, reduce administrative overheads and assist in focusing time and resources on core teaching and research outcomes.

The recommendation and comments made in respect of *Improving university governance* below in Attachment B which deals with immediate actions are applicable here.

12. Sustainable funding and financing

ATN supports the Panel's preference for any new funding model to:

- be based on strong values and clear principles for public and private investment;
- provide longer-term stability; and
- respond to changes in student mix and demand but protect against rapid shifts in funding beyond the capacity of institutions to adapt.

ATN recommends that the Panel consider in greater detail what funding should be provided based on the volume of university activity and what should be provided as block funding to support the particular mission of each university.

- In Item 4 dealing with equity, ATN indicated that support for the learning needs of students should be provided as block funding, informed by an understanding of the overall level of learner support which a particular institution may need to deliver but not based purely on a statistically-driven formula.
- Funding for critical teaching and research infrastructure should also be delivered as block funding. The level of funding available for such purposes is ultimately a matter for Government. It would be useful for the Government's decisions to be based on high-quality publicly available information about priorities for the sector's overall development. This should be one of the major outputs associated with a Tertiary Education Commission (TEC) responsible for mission-based accords and block funding arrangements with universities.

ATN recommends that the Panel develop concrete proposals for funding student places to replace those of Job-ready Graduates. These proposals need to deal with Commonwealth Grant Scheme subsidy rates, as well as adjusting student contribution rates to make HELP fairer.

The proposals should provide better recognition of enabling pathways and programs and should deal with how those programs are funded when they are provided by universities and by TAFEs. They should include flexibility for universities to shift their student load into enabling programs as needed to support students. Funding mechanisms across the two sectors may not be identical, but should be comparable.

There are higher immediate priorities for the Panel than putting further effort into the issue of cross subsidisation of activities within universities. In recent years, there has been considerable effort expended on seeking to identify teaching costs in recent years. Unit costs are significantly affected by student volumes and there are multiple items where costs need to be apportioned based on judgements or best guesses. The issue should not continue to be a priority at this point in time.

ATN's comments on proposed immediate actions

ATN supports the Interim Report's proposed immediate actions and welcomes the Government's acceptance of them. The ATN has three recommendations relevant to these:

Maintaining the Higher Education Continuity Guarantee

ATN recommends that arrangements for 2024 and 2025 should be clarified to make clear that Commonwealth funding for university teaching is being increased as proposed under the Job-ready Graduates. Grants were to be increased in line with the legislated formula for indexation (CPI) and additional modest growth funding was to be provided.

Maintaining these increases will support university efforts to ameliorate current areas of skill shortage, as well as the longer-term growth ambition for the sector recommended in the Interim Report. The Government should provide support to universities continuing to enrol students above the funding cap.

Improving university governance

Promoting good governance at universities is about more than the composition of the governing board. It is also about governance and expertise throughout the university and the way that roles and responsibilities are shared, along with the exchange of strategy and advice.

The good governance of a university requires it to have a well-functioning and competent governing board, as well as highly competent senior managers responsible for the control and management of its operations. It is a system of multi-layered controls and mechanisms which guide the actions of, and hold accountable, the various staff working within the university.

Nevertheless, the governing board should be well-equipped and experienced in managing an institution with hundred of millions of dollars in revenue and expenditure, thousands of staff and complex government, industry and community partnerships.

ATN recommends that efforts to improve university governance focus on identifying the specific problem or weakness and seeking a solution that aligns with principles of good institutional governance.

The two most important challenges that universities currently need to confront are related to casual employment and remuneration, and sexual assault and harassment. These issues are not unique to universities, but university improvement efforts need to deal with the specifics of how these problems manifest themselves in relation to universities.

- Universities are comparatively good employers that provide many employees with generous industrial conditions – high levels of pay, extensive paid leave provisions, flexible working arrangements. University staff are also protected by the same laws and standard conditions that apply across the board. Superannuation and severance payments are substantially above those provided in other sectors.

University employees are protected by the same employment laws that apply in other sectors. There is no need for additional regulation.

The current challenges are to provide some current classes of casual employees with greater opportunity for secure employment and to ensure where casual employment remains appropriate or is preferred by staff that they are correctly paid.

ATN universities are prepared to work with government and unions to consider sector wide changes which support these two objectives, but it notes that progress would require the parties to commit to genuine negotiations and consider difficult trade-offs.

- The prevalence of sexual assault and sexual violence on campuses approximately reflects what is happening in broader society. While this is a societal issue, ATN universities accept their responsibility to provide safe environments within their institutions. As public institutions, we can lead and take the steps necessary to ensure, as best we can, that sexual harm does not occur on our campuses.

ATN supports concrete evidence-based interventions which can be enacted and translated into best practice to produce better outcomes for our students. We need to give our students the support, knowledge and skills to respond to unacceptable behaviour, to promote acceptable and educated behaviour and to overcome the ignorance which drives unacceptable behaviour.

Improvements to university operations will not occur if the actual problems that need attention are mis identified or over-generalised. This applies particularly to student and staff wellbeing, and the composition of governing bodies.

Creating further Regional University Centres

ATN recommends that there be a formal evaluation of Regional University Centres (RUCs) and that, in the interim, costs be contained by utilising existing educational infrastructure where possible. For example, it may be appropriate for some to be integrated with TAFEs and this may support longer term directions for closer integration of the higher education and vocational education sectors.

RUCs have only been operating for a limited period and evidence of their efficacy at this early stage is largely anecdotal.