

## Pre-Budget 2022-23 policy statement

September 2022

The Australian Technology Network of Universities (ATN) is pleased to outline our policy priorities to assist the development of the Albanese Government's 2022-23 Budget.

The achievements and outcomes of the Jobs and Skills Summit make it clear we must seek multi-lateral and cross-sector approaches to the economic and social challenges and opportunities that Australia faces in the wake of the pandemic and in an uncertain global environment.

The Universities Accord is our once in a lifetime opportunity to shape post-school education, enterprise and innovation for future generations and ensure Australia's future success.

ATN has adopted four pillars in our approach to the Accord and we also take this same approach to the 2022-23 Budget.

**We make the following nine recommendations to the Government under those four pillars:**

### **Creating opportunity for people and skilling Australia**

1. Promote the role of equity, excellence and success in higher education
2. Effectively support students to access university

### **Investing in our own ideas, innovations and capabilities**

3. Maintain sustainable investment in our skills
4. Secure the next waves of research
5. Maximise our return on effort and regulation

### **Leadership in global education, skills and knowledge**

6. Foster a diverse domestic and international education system
7. Enable strategic and sustainable skilled migration

### **Contribution to the Australian community, national security and sovereign capability**

8. Recognise universities' contributions to our communities
9. Allow national security policy to mature

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## Introduction

With nine out of ten jobs created in the next five years requiring a tertiary qualification, Australian universities have much to contribute to Australia's future success, productivity and prosperity and we are committed to providing opportunities for all Australians to achieve their aspirations and developing our local and national communities and industries.

The Jobs and Skills Summit marked a new way forward to advance our common national interests in an open, authentic and cooperative way. The Universities Accord needs to harness the power of collective action, shared responsibility and mutual respect that enlivened the Summit.

The Government must join universities in developing a shared approach to post-school education through the Accord as part of a partnership between staff, unions, industry, businesses, students, parents, and political and policy leaders.

This will need a long-term and progressive plan of action – spanning this Budget and the ones to follow in this term of government and the next. The current economic and fiscal constraints make this forward thinking even more important.

We welcome the publication of a new Intergenerational Report next year. Importantly, investment in education, research and the future of our communities and industries is the most powerful, transformative and enduring form of intergenerational transfer.

ATN universities embrace the opportunity to do things differently – to reset, rebuild and reform in the interests of our students, graduates and community and industry partners.

Ensuring all Australians, regardless of background or circumstance, can access education is a passion of ATN - our universities firmly believe that access and equity in Australia's education system is critically important to drive opportunity and fairness in our society.

During the past three years, ATN has focussed on developing solutions to some of the present challenges in Australia's economy and society. One critical issue is Australia's current skills and labour shortages. We know that universities have a central role to play in addressing this current economic challenge.

ATN universities provide world-class education to almost 310,000 students and teach 20 per cent of domestic higher education students and 19 per cent of international students. We are the fastest-growing university grouping in terms of domestic students. We are proud of our tradition of industry and community engaged research and nurturing job-ready graduates who have the opportunity to collaborate with industry and launch their own start-ups.

The need for new ways of learning for all people, including 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.

New educational pathways are needed to 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 healthcare, technology and manufacturing sectors will have existing skills and experience. We will need to offer more flexible, adaptive and innovative education options.

These options will need to include high-value shorter courses which are recognised and transferable with a plan to create enduring skills passports, industry-led approaches that allow businesses to co-design and access timely skills solutions, and planning the skills development of the next generation through individual skills accounts.

## Creating opportunity for people and skilling Australia

Maximising Australia's growth and productivity will rely on providing more opportunities for Australians and international students to get the education and training they need for secure, high-value jobs.

Australians, regardless of their background or postcode should have access to these opportunities – for almost everyone this requires a post-school qualification.

ATN and Innovative Research Universities (IRU), representing 14 universities across Australia, made a joint call in March 2022 for the Government to place opportunity at the heart of its plans for Australia's economic and social recovery.

Australia's current skills and labour shortages are a challenge, but they also present us with the opportunity to ensure everyone has access to a good job and ultimately that we can supply skills in priority growth sectors.

### **Recommendation 1: Promote the role of equity, excellence and success in higher education**

The reforms begun by the former Labor Government through the Bradley Review are unfinished work – there is still persistent social disadvantage that must be addressed as a national priority.

Rates of post-school attainment vary considerably across the country:

- from 38 per cent in Upper Hunter Shire to 68 per cent in North Sydney
- from 35 per cent in Corangamite to 62 per cent in Yarra
- from 32 per cent in Playford to 59 per cent in Burnside
- from 34 per cent in Esperance to 65 per cent in Cottesloe.

Gains in university participation rates for low-income students have stagnated at around 17 per cent in 2020, short of the overall population target.

Regional and remote participation rates have been in steady decline since at least 2011, declining to 20 per cent in 2020.

There is no more effective way to Close the Gap than by providing access to post-school education for all First Nations Australians. This is priority for all governments, and education is the right way to address disadvantage in a long-term, sustainable and targeted way.

#### **Government action required:**

- Uncapping university places for all First Nations Australians
- Preserving enabling and regional loadings in the Commonwealth Grants Scheme and HEPPP
- Removing the 50 per cent completion rate rule
- Ensuring students have equitable access to Startup Year

## **Recommendation 2: Effectively support students to access university**

We will need almost 1.2 million new people in the workforce by 2026. Nine out of ten of these people will require a post-school education and over half of them will require a university level education. Particular skills shortages exist in the digital, technology, healthcare and education sectors, and these are all areas where our universities play a central role in developing the future workforce.

Universities are central to the solution for Australia's skills challenges.

All Australians will need access to a post-school education so they can fully participate in society and secure the new and emerging jobs being created. While participation in university has improved over recent decades, more needs to be done to ensure the benefits are more evenly shared across all communities and regions in Australia.

### **Government action required:**

- Ensuring priority growth sectors, including healthcare, manufacturing and defence, are not limited by the supply of skills
- Maintaining funding systems that are fit-for-purpose and keep pace with labour market needs and demographic change
- Funding enough places to supply local and regional businesses with the skilled graduates they need to grow and create more jobs for a diverse range of Australians
- Targeting additional funding for universities that are serving a broader, more diverse range of students like regional, first-in-family and low-income students

## Investing in our own ideas, innovations and capabilities

Developing and diversifying Australia's economy and workforce will require ongoing investment in skills, research and people. The Universities Accord must address research, its links with skills and enterprise and the capability of universities to solve problems, apply knowledge and drive discoveries that serve the nation.

As universities focused on engagement and impact, we know that 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 our national knowledge and innovation base.

University research contributes to national economic development, international competitiveness and the attainment of social goals. This contribution requires translation of research into those economic, social, environmental, cultural and other impacts, particularly in partnership with communities and industry.

It is also important to understand that to continue our supply of ideas and expertise to industry and communities, a broad range of research is needed including discovery research and research in the humanities, arts and social science that is vital for understanding our world and the people in it.

There is a valuable opportunity to align Government, university and industry investment in research and education across a range of programs, innovations, and high-value and strategic industries. This will help to deliver outcomes for Australia in key priorities like healthcare, aged care, childcare, disability care, manufacturing, and cleaner energy.

### Recommendation 3: Maintain sustainable investment in our skills

Australians will need to double their share of learning they do after the age of 21. We need to be catering for everyone – not just school leavers.

Learning models for foundational and continuing education and training need to evolve to ensure that Australia's workforce remains engaged and able to adapt to changing tasks and demands.

Increasingly, Australians will undertake more training later in life to fill specific skills gaps and emerging skill needs required by business through micro-credentials and other alternative, short-form courses.

ATN has committed to using its connections with industry to ensure that what we teach and how we teach students keeps up with the day to day on the job demands of industry and small to medium enterprises. This will include short courses, stackable credentials, inclusive learning pathways and stronger industry ties.

ATN is already invested and engaged in innovations in teaching and learning and meaningful connections with industry, but more support is needed.

There must be a recognition of the benefits to students and the cost to universities of providing high-contact, high-engagement industry experiences like work-integrated learning, authentic assessment and industry placements.

We need to expand the range of education and training products on offer to ensure that all learner needs can be met and to improve the opportunity to gain new skills and maximise employability

**Government action required:**

- Extending Job-ready Graduates transition funding
- Funding for innovative and industry engaged teaching and learning
- Ensuring high-value shorter courses are recognised and transferable with a plan to create enduring skills passports
- Planning for the skills development of the next generation through individual skills accounts

**Recommendation 4: Secure the next waves of research**

Universities need stability and certainty of research funding – after several years of reforms and revenue downturns, we need security of funding in order to continue our vital work.

The previous Government's \$1 billion Research Support Program boost was welcome, but the sector is still seeking a long-term solution that avoids reliance on cross-subsidy and international education. Despite identifying the need, no long-term solution has been put forward.

The Universities Accord needs to consider investment in research and priorities across the whole-of-government to ensure we have an effective and cohesive approach – this must include the National Reconstruction Fund and its priorities.

The funding announced by the previous Government for research commercialisation must be secured. This will ensure its 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.

Importantly, 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).

**Government action required:**

- Stabilising current research funding
- Fully funding the research commercialisation package
- Ensuring universities are integral to National Reconstruction Fund

### **Recommendation 5: Maximise our return on effort and regulation**

ATN universities already proudly deliver Australia's most work-ready graduates. We recognise the importance of equipping graduates with the skills that industry requires, ensuring they can take advantage of the opportunities and challenges of the future.

The National Priorities and Industry Linkage Fund (NPILF) has supported the innovations in teaching and learning and meaningful connections with industry in which ATN is already invested and engaged. The establishment of NPILF sent an important signal to universities and industry about the importance of collaboration and partnerships for the benefit of students and graduates.

While NPILF was a step in the right direction in encouraging sector-wide uptake of innovations, it has unfortunately come at the expense of reduced direct resourcing for teaching and is not targeted at volume or scalability.

NPILF and other recent reforms and regulations must be reviewed to ensure they are the most effective and productive ways of achieving their aims. This is especially true for universities that are already at the leading edge of quality, innovation and excellence.

Also introduced as part of the Job-ready Graduates Package were a range of additional protections for students studying at universities. Most of these protections were developed and applied to non-university providers in response to the abuse of VET FEE-HELP and concern that unreputable providers may move from the VET system into higher education. The Government at the time these provisions were developed indicated that they would not be applied to universities.

No consultation was undertaken prior to introducing these provisions and no rationale or justification for extending them to universities was offered. The result is a policy that is inconsistent, and has potential to create considerable adverse effects for students, especially those from low SES and Indigenous backgrounds.

#### **Government action required:**

- Removing the Student Learning Entitlement cap
- Identifying areas with disproportionate burden

## Leadership in global education, skills and knowledge

Ai Group and ATN have jointly urged the Government to support the creation of a tripartite Skills Forum to solve Australia's skills crisis.

The Skills Forum would establish a three-way partnership between industry, universities and government to drive the national skills agenda. It would help secure Australia's skills future and realise Australia's potential through practical and sustainable actions and reforms. This is a shared challenge and opportunity that we are ready to address with the help of the Government.

Australia's workers and businesses need a coherent skills strategy that can quickly plug urgent and persistent skills gaps in the economy with a balanced and fair pipeline of domestic and international workers.

This must be supported by reforming post-school education so that universities can flexibly meet emerging and priority skills need through the innovative and adaptive ways our universities are pioneering.

Together with the Government, we can balance the needs of Australian workers, migrants, businesses, regions, and the workforce to create a system that is high-quality, targeted, measured and responsive.

### **Recommendation 6: Foster a diverse domestic and international education system**

International education is a valuable and intrinsic part of Australian universities and is a conduit which enables the global exchange of people, ideas, products, knowledge and capital.

Australia's international education is a great success story and has served our nation well for more than three decades. But if we look to the future, it can also play a pivotal role in rebuilding Australia's economy and ensuring our businesses have a strong supply of skilled workers, supplementing the strong pipeline of Australians getting the skills they need for the post-pandemic economy.

Refreshed policy settings for our international education sector will see a more sustainable, more adaptive approach to the real challenges the nation faces. ATN universities are ready to play our part and we look forward to working with collaboratively government and business on creating a bridge to the global pool of skills and knowledge and establishing Australia's place in the region.

International education can play a pivotal role in the Government's international and regional strategies. For it to be successful, a whole of government approach to these strategies and potential partnerships is needed.

Government action required:

- Rebuilding our international education system and partnerships

## **Recommendation 7: Enable strategic and sustainable skilled migration**

Australia's skilled migration settings post-pandemic need to be guided by an integrated, pragmatic, and coherent migration policy - one that voices the characteristics and ideals that all Australians can support and one that supports economic growth and skills transfer. The Skills Forum is important to reaching a consensus on these issues.

A three-way partnership between universities, industry and government is a crucial part of the integration of international education, and delivering better outcomes for industry, students and the economy. Using this 'triple helix' approach, the focus on student outcomes would be sharpened to include opportunities for work integrated learning, part-time work and ultimately improved graduate outcomes.

Pathways to permanent residency in priority areas need to be re-cast – embracing longer periods for post-study work rights for international students who as skilled graduates will contribute to the workforce that Australia so deeply needs is a good first step from the Jobs and Skills Summit.

Universities and industry are ready to work in partnership with the Government to ensure we have high-quality, skilled migration pathways for students and graduates that are sustainable, adaptive and attuned to the needs of Australia's economy and society.

### **Government action required:**

- Focusing on priority areas and skills gaps
- Creating sustainable pathways to retain skilled graduates

## **Contribution to the Australian community, national security and sovereign capability**

The Universities Accord must speak to the wider roles that universities play in the nation's economic, social and cultural wellbeing. It should define and value this contribution.

The Accord must understand that different universities play different and complementary roles depending on their local communities and industries, and they have substantial social obligations – some must be comprehensive institutions in order to play a region or city building role.

ATN universities have a strong commitment to working within and transforming the communities in which we are based. We are an active voice in promoting partnerships between industry and research to grow our economy and deliver significant economic, social and cultural benefits to local and global communities. We encourage the use of our campuses to drive interaction and deeper relationships with our communities and often act as a catalyst for innovation.

Our universities have diverse community integrations even within single universities – be it an inner-city hub for innovation in our business and commercial centres, a suburban campus co-locating learning, research and industry, or an anchor institution in a regional centre or gateway city.

The resilience and transformative capabilities of university-community partnerships is a powerful force for addressing the inevitable structural economic changes to come. Such transformational capabilities are created by investment in skills and research-intensive innovation and driven by a collaborative effort between local universities, industry and multiple tiers of government.

Support for these community partnerships will lay a foundation for our future national economic success and social cohesion. Universities act as innovative gateways, identifying research pathways and solutions to help Australia meet the significant economic, social and environmental challenges to come.

### **Recommendation 8: Recognise universities' contributions to our communities**

The Universities Accord should help universities champion and support their local communities and help to connect them to the national and global economy and skills base. The Accord needs to situate the place and role of universities within the broader education system and the wider economy and community.

The Job-ready Graduates Package removed the implicit cross-subsidisation in the Commonwealth Grants Scheme for community and industry engagement and the abolition of the Education Infrastructure Fund removed access to funding for facilities universities share with the community. In order to have thriving community and industry engaged universities, this activity and infrastructure must be adequately supported.

Recent domestic and international events have also 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.

The Universities Accord should consider how to take advantage of this secure foundation and coordinate the Government and sector's effort to enhance national sovereignty.

**Government action required:**

- Funding for universities' community and industry engagement
- Utilising universities' capacity to enhance sovereign capability

**Recommendation 9: Allow national security policy to mature**

Universities want to partner with the Government on reasoned, deliberate and evidence-based foreign interference and security policy. Greater stability and certainty in this space will allow for a more rational conversation about national security.

While it is important for protection of national security to remain agile and vigilant, the previous approaches have placed an extraordinary burden on stressed systems. We need a long-term, proportionate, and risk-based approach to keep lines of communication open and have some stability and certainty.

The Foreign Arrangements Scheme should be revised to ensure that it is working as intended and not causing any undue burden to universities or the Department of Foreign Affairs and Trade.

Now that pre-existing and new arrangements have been submitted to the Department, it should be in a position to provide further intelligence, clarity and guidance to universities. We want to ensure that the Department is receiving the information it needs and reduce the administrative burden on all parties.

We are also seeking any information on rejected or cancelled arrangements that would guide our own assessments of future arrangements.

**Government action required:**

- Assessing the impact of existing and new national security measures
- Revising the Foreign Arrangements Scheme

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Further enquiries should be addressed to:

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