

Mr Luke Sheehy
Chief Executive Officer

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Select Committee on Productivity in Australia

Dear Members of the Committee

Select Committee on Productivity in Australia inquiry

Universities Australia welcomes the opportunity to make a submission to the Senate Select Committee on Productivity in Australia. As the peak body representing Australia's 38 comprehensive universities, we strongly support national efforts to lift productivity growth. Universities are critical to Australia's economic performance. They educate the skilled workforce that underpins every industry of the economy and conduct research that drives innovation, competitiveness and long-term prosperity. They are also major employers, supporting more than 140,000 jobs nationwide.

We note that regulation – including in higher education – is identified in the [discussion paper](#) as an issue for consideration in the Committee's work. We also welcome that reducing red tape is a focus of both major parties. In our view, one of the most immediate, practical and achievable productivity reforms available to government is regulatory reform within higher education.

In line with the government's [commitment](#) to undertake deep dives for priority sectors to streamline regulation, we urge the Committee to recommend a comprehensive, system-wide review of higher education regulation to reduce red tape, lower compliance costs and improve efficiency across the university sector. This would represent a concrete and achievable productivity reform that would deliver system- and nation-wide benefits. Such a review should:

- rationalise and consolidate overlapping legislative instruments across jurisdictions
- improve coordination between Commonwealth and state and territory regulators
- embed genuinely risk-based and proportionate approaches
- reduce duplication in reporting and compliance requirements, and
- commit to reducing existing regulatory burdens, not simply managing future growth.

We also encourage the Committee to consider the Alliance of Industry Organisations' recommendations to reduce red tape, as outlined in its [submission](#) to the government's Economic Reform Roundtable. Universities Australia is a member of the Alliance, which is led by the Business Council of Australia and made up of almost 30 business and industry groups.



Appropriate regulatory frameworks are important. They assure quality, protect students, safeguard public investment and uphold Australia's international reputation. But regulation comes at a cost, and our sector exists under a growing thicket of regulations and regulators.

Over the past two decades, Australia's higher education regulatory framework has expanded significantly in response to legitimate policy priorities, including freedom of speech, foreign interference, student loan integrity, provider quality and tackling racism on campus. While these reforms address real risks, their cumulative effect has been to create an increasingly complex, overlapping and costly compliance environment.

A key driver of this burden is the interaction between Commonwealth and state and territory legislation. Universities are predominantly established under state or territory Acts of Parliament, yet operate within extensive Commonwealth regulatory regimes governing funding, research, student loans, workplace relations, foreign relations, privacy, corporations law and national security. This creates a layered and frequently duplicative legislative environment in which institutions must comply simultaneously with multiple statutory frameworks that are not always aligned in intent, definition or reporting requirements.

In practice, universities are often required to provide similar information in different formats, on different timelines, to different regulators. Policy changes at one level of government can have unintended compliance consequences at another. This fragmentation drives inefficiency, increases legal and administrative costs and diverts attention from core educational and research missions.

Concerningly, there are no indications that this trend will change in the foreseeable future, with multiple new regulators created or proposed. As new bodies are established – including the proposed Australian Tertiary Education Commission – it will be critical that they streamline and rationalise oversight, rather than becoming an additional layer of regulation or compliance for universities.

The cumulative result has been a proliferation of legislative acts and regulatory instruments governing university operations – driving up compliance costs and diverting scarce resources away from teaching, research and industry engagement. Evidence from across the sector demonstrates the scale of the burden:

- The University of Sydney estimates it must comply with more than 330 legislative acts and instruments, with 157 imposing significant compliance obligations – representing a 10 per cent increase in just two years.
- The University of Queensland reports compliance with around 420 distinct acts and a 63 per cent increase in compliance-related costs over the past decade.
- Australia's research-intensive universities estimated in 2022 that compliance-based reporting costs Australian universities more than \$500 million annually – costs ultimately borne by students, taxpayers and the broader community.
- The 2025 TEQSA–ASQA Dual Sector Strategy Report found that dual-sector providers face significant administrative burdens due to overlapping regulatory requirements across higher education and vocational training.



International comparisons further show that Australian academics spend more time on administrative tasks – and less on teaching – than their peers in 12 other countries surveyed. This isn't just inefficient – it's a direct productivity drag.

There is a literal cost here. There is the cost to taxpayers of funding regulators and there are the costs universities absorb as they divert increasing resources into compliance and responding to regulators. In an increasingly strained financial environment – where every additional dollar spent in one area must be found from another – this means that money is being drawn out of classrooms and student support and redirected into Canberra and compliance.

This is all happening at a time when universities are being asked to do more for the nation. The government has recently set a target for 80 per cent of the workforce holding a tertiary qualification by 2050. Achieving this will require educating hundreds of thousands more Australians over coming decades – particularly students from underrepresented backgrounds, regional communities and outer metropolitan growth corridors. Achieving this goal, which is necessary to meet Australia's future skills needs, will require expanded teaching capacity, greater investment in student support, infrastructure growth and sustained workforce planning.

Universities will also need to lift Australia's research performance and innovation output – strengthening collaboration with industry, accelerating commercialisation and contributing more directly to national productivity growth. The Australian Universities Accord final report, the culmination of a year-long review of Australia's higher education sector, laid bare the consequences of not producing more knowledge, skills, opportunities and research. "Fall behind in this race and Australia will see its productivity, innovation and standard of living decline," the final report warned. The Accord final report rightly framed education and research expansion not as optional policy choices, but as economic necessities.

These national ambitions are both appropriate and urgent, but they require institutional agility, financial capacity and sustained focus on core mission. An increasingly dense, fragmented and expanding regulatory environment works directly against these objectives. It absorbs financial and human capital that could otherwise support additional students, research breakthroughs and industry partnerships.

It's not only money that is at stake. Over-regulation affects culture and ambition. Too many capable people are spending too much time on tasks that minimally reduce risk yet consume substantial effort – filling in forms, chasing down data, creating reports and undertaking mandatory compliance processes. The safest course becomes doing what has always been done. Innovation, agility and experimentation are discouraged because deviation carries regulatory risk.

As both sides of politics have acknowledged, over-regulation is a serious challenge for Australia's productivity performance. With that in mind, we cannot continue to be so immersed in minimising risk that we fail to seize opportunity, and we can't keep focusing so much energy on regulation that we stifle innovation and ambition.



We urge the Committee to recommend in its final report a comprehensive, system-wide review of higher education regulation to reduce red tape, lower compliance costs and improve efficiency across the university sector. Reducing unnecessary red tape would improve institutional efficiency, free up academic time for teaching and research, and strengthen the sector's capacity to meet Australia's long-term tertiary attainment and innovation goals.

Productivity reform must include regulatory reform. If we are serious about lifting skills, boosting research and protecting living standards, we must ensure the regulatory framework enables, rather than constrains, Australia's universities. Our sector stands ready to work constructively with the Committee and the government on a comprehensive regulatory deep dive for the higher education sector.

We thank the Committee for the opportunity to make this submission and would welcome further engagement.

Yours sincerely

Mr Luke Sheehy
Chief Executive Officer