6 November 2026

Universities Australia's submission to the House of Representatives Standing Committee on Economics' inquiry into the use of technology to assist in improving productivity

Australia's universities are central to the nation's productivity performance and future economic prosperity. They develop the skilled workforce, generate the research and innovation, and build the knowledge and capabilities that enable new technologies to be developed, adopted and used productively across the economy.

As technological change accelerates, the contribution of Australia's 38 comprehensive universities will become even more important. Artificial intelligence (AI) and other emerging technologies offer significant opportunities to lift productivity, but realising their potential will depend on more than technological advances alone. Australia needs a highly skilled and adaptable workforce, strong research and innovation capability, and an education system that supports people to develop new skills throughout their working lives.

This inquiry is an opportunity to examine how Australia's policy settings can better support universities to deliver these outcomes. With the right investment, funding and regulatory settings, universities can make an even greater contribution to lifting productivity, strengthening economic competitiveness and ensuring the benefits of technological change are shared across the economy.

Recommendations

To maximise universities' contribution to technology-driven productivity growth, Universities Australia (UA) recommends that the Committee call on the Australian Government to:

1. Replace the Job-Ready Graduates Package with a fairer and more sustainable funding model that doesn't punish some students and supports universities to deliver the world-class teaching and skills Australia needs.
2. Adopt the Australian Universities Accord's target of 55 per cent higher education attainment, recognising the growing importance of advance skills to productivity and technology adoption.
3. Support the sector-wide approach to assurance of learning in the era of AI, recognising Australian universities' leadership in adapting teaching and assessment to technological change.
4. Strengthen life-long learning, upskilling and retraining by extending HELP loans to eligible microcredentials.
5. Accelerate tertiary harmonisation to support more flexible learning pathways and workforce adaptability through:
    a. improving Recognition of Prior Learning



b. adopting appropriate AI-enabled tools for credit transfer, and
c. prioritising reform of the Australian Qualifications Framework.

6. Consider introducing a clear text and data mining (TDM) exception to copyright law that recognises the distinct non-commercial nature and public benefits of educational research uses within universities.

A fair and sustainable funding model, fit-for-purpose regulation and sustained investment in research are essential to maximising universities' contribution to national productivity. Current policy settings, however, are constraining the sector's ability to deliver. Misaligned funding incentives, an increasing regulatory burden and under-investment in research place pressure on teaching, research and innovation.

The Job-Ready Graduates Package (JRG), in particular, has reduced university funding by more than $800 million per year and imposes disproportionately high fees on many students (more than $50,000 for a three-year Arts degree). Replacing JRG with a fairer, sustainable funding model would better support the skills and research Australia needs.

Uncertainty in international education policy makes it harder for universities to plan and invest with confidence. The current trajectory of international enrolments also risks eroding universities' capacity to invest in the teaching and research that underpin technology-enabled productivity gains. Nevertheless, funding places is not – on its own – sufficient. A determined effort is also needed to inspire the next generation of AI engineers and scientist-entrepreneurs.

The Committee should recognise the importance of reducing unnecessary regulatory burden in higher education. UA is co-chairing the Better Regulation Working Group with the Department of Education to identify opportunities to streamline regulatory processes, reduce duplication and improve efficiency while maintaining quality and public confidence. This work is an important step towards freeing up university resources for teaching, research and innovation, and should be complemented by further implementation of the regulatory reforms recommended by the Australian Universities Accord (the Accord).

Workforce and skills requirements to enable effective and productive use of new technologies

Technology alone doesn't deliver productivity growth. Its effective adoption depends on the skills and capabilities of the people who use it. Getting maximum value from AI and other new technologies places an even higher premium on a broad and varied skills base and the capacity to learn new skills. These are the characteristics that higher education graduates bring to the workforce. In a high-skill, high-productivity knowledge economy, more Australians need the knowledge, skills and capabilities that higher education develops.

Australia already has substantial AI capability across universities, industry and public agencies. A national innovation strategy should connect this expertise to a shared ambition and create practical pathways through which it can contribute.



The Accord – the biggest review of Australia's higher education sector in 15 years – recommended targets of 80 per cent tertiary attainment (up from 60 per cent today) and 55 per cent for higher education. Hitting these targets is essential to meeting Australia's future skills needs. While the Albanese Government has adopted the 80 per cent target, it has not formally accepted the Accord's recommendation regarding higher education attainment. This is despite Jobs and Skills Australia's projections showing that more than half of new jobs will require a Bachelor's degree or above. This is a gap in the Government's response to the Accord. UA calls on the Government to adopt the Accord's 55 per cent target too, as a key support to its own policy agenda of increasing higher education participation and lifting the supply of skills to the Australian economy. The need for a broadly educated workforce to maximise the effective uptake of new technology is yet another compelling argument for the 55 per cent target.

AI in higher education

Like other technologies, AI is most effective when used to enhance, rather than simply replace, human effort. Universities are both adopting AI in teaching and research and preparing graduates to use it ethically and productively across the workforce.

In higher education itself, AI presents issues for academic integrity. Universities – and the Tertiary Education Quality and Standards Agency – are working to address these. Australia is leading the world in its efforts and regulatory approach to Assurance of Learning in the era of AI, with leading practice being shared and implemented across the sector. UA supports the efforts of leading academics shaping this transition and their research that is sought out globally.

Beyond this immediate issue, though, AI also presents positive opportunities for higher education. Universities are working to adapt their teaching and assessment to the era of AI in order to safeguard academic integrity, to ensure that teaching content and methods are up to date and to equip graduates for a world in which AI will be an essential tool across occupations. By including thoughtful and responsible use of AI in higher education, universities are preparing graduates to use AI effectively in their working lives.

Lifelong learning in a high-skill economy

In addition to growing demand for initial higher education qualifications, AI and other emerging technologies will increase the importance of lifelong learning. Opportunities to upskill and retrain throughout working life will support technology adoption, help life workforce productivity and ensure that the resulting benefits are shared widely. The higher education system must be supported to meet this need. This is another argument for reducing the regulatory burden on universities and ensuring that funding is adequate and calibrated to the cost of delivery.

More specifically, universities have developed a range of micro-credentials to provide lifelong learning and retraining. UA recommends that HELP loans be extended to more of these courses to support universities to provide the skills that Australia's workforce needs.

Greater harmonisation between higher education and vocational education and training (VET) can support lifelong learning by making it easier for Australians to more between qualifications, develop new skills and adapt to changing workforce needs.

Universities support the Government's tertiary harmonisation agenda and are working to improve student pathways, credit recognition and recognition of prior learning, including through of the appropriate use of AI-enabled tools to support credit transfer. Achieving this will require stronger arrangements for recognising qualifications and learning across universities, non-university higher education providers and public and private registered training organisations. Reform of the Australian Qualifications Framework will be central to this work and should be prioritised.

Specialised qualifications and research on AI

The increasing importance of AI will further increase the value and impact of transferable skills. At the same time, Australia will need more people with specialised, high-level AI skills to drive adoption across the economy. Universities play an indispensable role in developing this talent. Through specialised undergraduate and postgraduate courses, they equip workers and businesses with the expertise to apply new technologies productively.

Universities also undertake cutting-edge research into new technologies and their adoption across the economy and society. This research advances innovation and improves understanding of the risks and benefits of technological change, informing regulatory and business efforts to maximise benefits and manage risks. In this context, UA notes the limitations of the research funding system, which underfunds research projects and requires universities to cross-subsidise costs from other revenue, especially international student fees. Given recent developments in the international education policy landscape, these limitations present serious risks to cutting-edge research, including in AI.

AI, universities and copyright

Universities are at the forefront of applying generative AI and text and data mining (TDM) to advance research, teaching and innovation. By enabling researchers to analyse and apply knowledge at scale, these uses can support innovation and the diffusion of new technologies. They also deliver significant public benefits including improved learning tools, large-scale analysis of scholarly literature and research outputs and the ability to unlock new knowledge from existing datasets. For these benefits to be realised the copyright framework should provide clarity and enable legitimate educational and research uses without creating unnecessary duplication of costs. A one-size-fits-all approach that treats public interest uses in the same way as commercial use of copyright material to train for-profit AI models risks impeding legitimate research and innovation without adequately reflecting their different purposes and public benefits. Universities already pay substantial remuneration under the statutory licence alongside commercial licences with publishers and vendors, and it is important that any future reforms recognise the distinct and non-commercial nature of educational AI and TDM uses.

Australia's ability to lift productivity through technological change depends on its capacity to develop new knowledge, equip people with the skills to use it and translate innovation into practical benefits



across the economy. Universities are central to each of these tasks. With the right funding, regulatory and policy settings, Australia's universities can make an even greater contribution to building the skilled, innovative and adaptable economy the nation needs. Investing in the capability of our universities is an investment in Australia's future productivity and prosperity.