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CSHE & LH Martin Institute Seminar

Contributing to the achievement of the Government's Higher Education objectives

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Key risks

- Focussing on implementation details rather than on policy framework design;
- Treating specific funding elements separately rather than in an integrated way;
- Undertaking a raft of activities and producing a plethora of indicators, which when taken together, do nothing to raise inputs per student, student-staff ratios, and student success;
- Being complicit in incremental processes that fail to deal with the fundamental problems, create unwarranted intrusions and stifle dynamism.



Policy purposes

- Australia needs internationally competitive capabilities to sustain innovation across economic sectors and enable social and environmental challenges to be tackled cost-effectively.
- Particular attention has to be given to advanced human capital formation and the building of ways and means for enabling Australian researchers to access high-capacity infrastructure and knowledge networks.
- Concurrently, it is necessary to reduce wastage through the exclusion of some Australians from opportunities for full participation. This is important notably for enabling people to have rewarding lives, building cohesive communities and increasing productivity.



Main financial challenges

1. Securing adequate funding for increased participation without diminishing quality;
2. Providing sufficient teaching personnel with adequate capabilities;
3. Providing the necessary infrastructure for teaching and learning.

The first of these challenges involves:

- Building up the funding base to a level that is sufficient to support internationally-competitive quality of higher education, through a mix of increased Government funding per student and additional private finance;
- Achieving efficiencies in the provision of higher education through structural diversification of the national system, and increases in the productivity of teaching and learning within higher education institutions.



Higher Education Performance Funding

An approach can be developed which

- encourages the sector to meet the increasingly diverse needs of the student body accessing higher education, and
- allows individual universities to contribute variously to their fullest extent to achieve the Government's objectives



Responsibilities of government

to get the frame factors right:

- (i) adequately fund enlarged participation;
- (ii) encourage the formation of a responsive set of diverse institutions;
- (iii) safeguard the reputation of Australian qualifications;
- (iv) promote efficiency improvements through incentives to reduce student attrition.



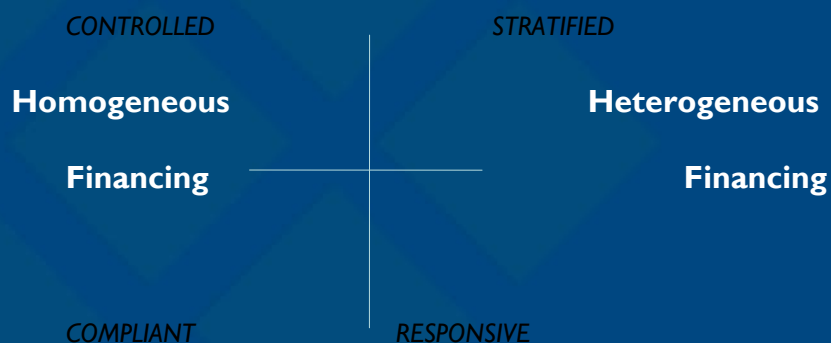
Responsibilities of universities

- Universities are responsible to the Government for the achievement of the undertakings to which they commit as a contract of funding.
- Universities also have wider responsibilities to other communities that support them in various ways.
- There has been a long established understanding internationally that universities, not governments, are responsible for setting academic standards in teaching and research.
- It is also widely accepted that universities function best where they are free to innovate and respond to changes in knowledge development and student demand.
- The Australian Government's policy move to a student demand driven model is predicated on this very premise



Government policy & financing stances

Strong Central Regulation



Policy considerations

The use of sector-wide measures

Sector-wide indicators are appropriate where there is a national quantitative target to be achieved.

Institution-level targets to be negotiated against a common measure, with regard to the institutions circumstances, capacities and missions.

The use of institution-specific measures

Institution-specific measures should be used for goals which relate to qualitative dimensions of performance improvement

Reward the continuous improvement in the efforts of each university, consistent with its chosen educational orientation.



Allocation of funding

Will each indicator be funded separately?

Will allocations be proportional to student numbers or EFTSL across all the indicators? Or will the funding be distributed on some other basis? Could there be a pre-notified sum at risk for each university?

Will the basis vary depending on the performance indicator? If so, will different weightings apply and is this likely to change over time?

If a university fails to meet an agreed target, will some or all of the performance funding be withheld?

Will the framework be flexible enough to take into account fluctuations in student demand (or other factors) related to unexpected economic, social or political developments?



Other Policy Issues

- The growth imperative
- Educational standards and the role of TEQSA
- Graduate Skills Assessment
- Student experience and satisfaction
- Professionalisation of university teaching
- Measures of low SES
- Access, retention and completion
- Performance improvement relative to achievement
- Incentives for broader performance improvement



A way forward

For the performance funding framework to contribute to the Government's ambitions for increased participation and improved quality, the indicator framework and measures need to reflect the complexity and diversity needed to meet these ambitions.

Through the use of compacts with publishable institution-specific measures of performance, the Government could shape the outcomes achieved by universities in line with its national goals, without reducing institutional flexibility.

Such a path of development is necessary in an expanded 'post-mass' system that addresses the needs of a greater diversity of students effectively and efficiently.

