

**FEDERATION OF AUSTRALIAN SCIENTIFIC
AND TECHNOLOGICAL SOCIETIES**

Science and Technology for the Social, Environmental and Economic Benefit of Australia

Mr John Carter
Secretary
Standing Committee on Employment, Workplace Relations and Education
Parliament House
Canberra ACT 2600

23 April 2007

Dear Mr Carter

Higher Education Legislation Amendment (2007 Measures No.1) Bill 2007

Further to our discussion, FASTS would like to make a number of comments about this legislation currently before the committee.

The two substantive elements of the Bill are the provisions to

- bring the Commonwealth legislation into conformity with the new National Protocols for Higher Education Approval Processes (the Protocols) that have been endorsed by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA); and
- appropriate \$40.8 million comprising approximately \$16m to assist universities meet the cost of implementing the Research Quality Framework (RQF) and \$25m to assist with the establishment of university digital data storage systems that will allow research outputs to be submitted for RQF assessment.

National Protocols

FASTS strongly supports the intent of the Protocols to provide a foundation for quality assurance and create a nationally consistent framework.¹

A key issue in the MCEETYA debate on the revised Protocols (and also during the debates on the original 2000 Protocols) is whether the current framework provides for sufficient diversity to meet the challenges confronting the higher education system including

- changes internationally in frameworks for provision of higher education and the impact on Australia's capacities and global competitiveness;
- new delivery technologies;
- growth of private higher education, and
- demands of knowledge economies.

FASTS believes 'diversity' is an important 'good' in higher education but is concerned that it not be promoted uncritically or in ill-defined ways.

If an outcome of the Protocols simply results in private providers 'cherry picking' lucrative areas and/or stratification of higher education institutions characterised by a large rump of low quality, bulk provision of mediocre education and training, then there are serious questions as to the national benefits of such a system. That is, diversity can undermine the more important objective of ensuring high quality provision of higher education.

¹ refer *FASTS Submission, Review of the National Protocols*, April 2005, available from www.fastsof.org (see submissions link in publications)

Given the broad consultations that have gone into the MCEETYA process, FASTS does not recommend any substantive changes to the Protocols. However, we remain sceptical of the value of lowering the threshold for the definition of ‘university’ by permitting institutions with only one or two specialist areas to seek accreditation as a ‘university’.

FASTS also notes that the guidelines for the Protocols have still not been presented so its impact on existing institutions is not known.

FASTS believes it would be a good idea for the Senate to revisit the operations of the Protocols independently of MCEETYA in about 5 years to gauge the impacts on the Higher Education sector and the rigor by which quality assurance and evaluation mechanisms in the Protocols have been applied.

Research Quality Framework

FASTS strongly supports the public policy principle embedded in the Research Quality Framework (RQF) that public funding should support high quality, high impact research wherever it is performed. A robust instrument should be of considerable value for institutions in setting and evaluating their research profiles and for providing important system-wide insights into the directions and capabilities of Australian research.

While giving ‘in principle’ support, FASTS has concerns over a number of areas affecting the efficiency and credibility of the proposed RQF that remain unresolved despite a lengthy discussion and consultation process.

Resource Allocation

There is still no resource allocation model on the table for analysis. This is a very important matter as decisions about

- a. the proportion of funding to be allocated on the basis of quality or impact measures (does the latter moderate the former?);
- b. whether there will be one funding pool or two;
- c. the relativities of differential funding for different levels;
- d. the relativities of differential funding for different disciplines and/or different broad research activities (eg laboratory, field, clinical etc); and
- e. capping arrangements,

will have major impacts on internal distribution and the profiles of institutions. Indeed it is not possible to make any real assessment of the impact of the RQF in terms of driving behaviours, including mobility or concentration of resources at institutional or research group level until a preferred resource allocation model is available.

FASTS notes that when the changes to resource allocation for research and research training were introduced in 2001 – as outlined in *Knowledge and Innovation*– capping measures and compensation for regional institutions were introduced to reduce significant increases and losses to institutions. While the politics of smoothing losses is understood, FASTS thinks that limiting increases to say 5%pa, as was proposed by the RQF expert advisory group, represents another inefficiency to the proposed RQF and may be somewhat of a disincentive to fully engage with the process if the potential rewards are so constrained.

Robustness of impact measures

The impacts on behaviours of internationally used quality measures such as citation rates, publication numbers and so forth are well understood (including the perverse incentives). However, outside patents and in some cases spin-off companies, there are no end-user measures used internationally for evaluating higher education research. There is also wide-spread recognition of the lag-time in end-user impact.

These points are not arguments against implementing the RQF *per se*, but highlight the importance of very careful and transparent evaluation and assessment of the proposed RQF in the trials that will shortly be carried out in some universities.

Given the likely volume of workload for the 13 RQF assessment panels, FASTS believes greater weight may need to be given to contextual validation of research metrics.

Block Grants and cost benefits of RQF

Thus far, the Government has indicated that the RQF will apply to about \$600m of Commonwealth funding by subsuming the Institutional Grants Scheme and a proportion of the Research Training Scheme.

However, the costs of implementing and then running the RQF are going to be high in terms of actual and opportunity costs. This raises the important point noted by the Productivity Commission and others that “the costs of implementing the Research Quality Framework may well exceed the benefits”.²

FASTS believe that a healthy research sector needs a plurality of funding mechanisms. We have been increasingly concerned that the balance between competitive and block grants has become skewed. The problem is for well over a decade, but particularly since 2001, the structure of higher education funding has changed. A significantly increased proportion of higher education research funding is now provided through national competitive grants programs (about 40% in 2006/7 up from about 25% in 2001).

The reduced proportion of block grants in combination with the requirement for institutions to provide additional or matching funds for competitive grants has resulted in success in competitive grants being a growing driver of institutional research profiles.

In the DEST report - *Evaluation Of Knowledge And Innovation Reforms Consultation report* – released in March 2004, it estimated that the matching fund requirement leveraged \$450m from universities in 2002/3.³ That figure is likely to be well in excess of \$500m now.

In FASTS’ view, there are strong arguments for increasing the quantum of funding for university block grants, both in terms of providing greater capacity for universities to set research missions and also to ensure a robust and credible RQF could become an effective instrument in terms of driving a more strategic management of Australian research.

FASTS are happy to further assist the committee if required.

Yours sincerely

Professor Tom Spurling
President

² Productivity Commission, *Public Support for Science and Innovation*, Canberra, 2007, p.XVI

³http://www.dest.gov.au/sectors/science_innovation/policy_issues_reviews/reviews/previous_reviews/evaluation_knowledge_innovation_reforms/default.htm