



Griffith University

Submission to the National Commission of Audit

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Griffith University notes the Commission of Audit seeks submissions on:

- the current roles and responsibilities of the Commonwealth and state and territory governments, including areas of duplication;
- the efficiency and effectiveness of government services and policy advice; and
- whether there could be a role for the private sector, not-for-profit sector, the states or local government including opportunities for outsourcing and privatisation.

Griffith University recommends the Commission of Audit pay particular attention to the following:

- The removal of regulatory duplication in relation to the higher education sector between the Commonwealth and State Governments;
- Similarly, the removal of regulatory duplication within and between Commonwealth Government agencies: in particular, Griffith University recommends there should be a single entity with responsibility for the lodgement and dispersal of routine data supplied to the Commonwealth by universities, in other words a sole national data centre;
- Annual reporting requirements on universities imposed respectively by the Commonwealth and State Government should be rationalised, ideally so that one document suits all purposes. This will require a separate investigation and cooperative agreement between the levels of Government;
- Ensuring that the essential role of TEQSA is limited to threshold standards, course accreditation and re-registration. A current proposal by TEQSA to conduct only one broad review per year is practically a guarantee that one major review per year will be undertaken, regardless of demonstrated need;
- Alignment of the TEQSA and ESOS legislation, so only one audit is required every 7 years.

Griffith University also urges extreme caution with any suggestion to use the mission-based compacts administered by the Department of Education in a heavy handed regulatory way to determine individual universities' business profiles or service delivery modes. The sector has a strong tradition of institutional independence which guarantees a high level of competitiveness both locally and internationally.

Entry standards

Griffith University recommends against the imposition of a unilateral ATAR-type entry score as a way of restricting entry for potential students purely as a savings measure.

It is generally accepted that a well-educated population is one of the foundations for a sophisticated and resilient economy. On the basis of this argument the previous Government's introduction of the demand driven system ushered in significant growth across the sector. Universities were no longer subject to arbitrary, bureaucratically imposed caps on numbers of students. With the exception of places in some high-cost courses, universities were free to enrol as many students as they wished and the Government would fund these through the CGS system. This strategy reflected a bipartisan policy intention to increase the proportion of students with higher education qualifications in the interests of both strengthening national productivity and social equity.

Among other responses, there has been some comment that greater numbers of (undergraduate) places and enrolments has lowered the overall quality of the intake as universities hurried to take advantage of the higher revenue available to them and lowered their entry standards accordingly. However this argument lacks solid evidence from an assessment of the quality of the graduating students as distinct from the qualifications this cohort may have brought to their university as first year undergraduates. It would be

premature and illogical to prejudge the outcome and impose a qualitative entry cap (ATAR or similar) as a savings measure on the *suspicion alone* that standards have slipped.

Four additional points are relevant here:

- There are strong, evidence-based arguments in favour of a well-educated population as a key ingredient for a sustainable economic future;
- the arguments for social equity and participation are equally strong in terms of a resilient population and economy;
- Australian universities pay particular attention to assuring the high quality of their teaching and learning activities producing high quality graduates; and
- universities generally employ other enrolment entry points based on criteria other than secondary school achievement, and students who enrol by virtue of these more flexible rules generally do as well as standard entry students.

It is also important to recognise the importance of the national effort to increase the numbers of students at university from low SES cohorts for whom such aspirations would once have been foreign. There are still large pockets of potential students of low SES background whose talents will remain untapped without appropriate intervention. The lost opportunities apply to both the individuals concerned and to the nation more broadly.

Funding Issues

Griffith University also urges the Commission to note the previous Government's savings measures announced in the 2013-14 Budget that took several billion dollars out of the sector. The new Government has not reversed these cuts, the impact of which will accumulate in the years ahead and further erode Australia's already poor position vis-à-vis the rest of the OECD in public funding of higher education. In particular, Griffith University urges the Commission to recognise both the public and private benefits of higher education and to not reduce the current indexation arrangements that give the sector some measure of security against escalating costs. The current formula implements aspects of the Bradley review of higher education and uses the Professional, Scientific and Technical Services index as the basis of calculation. This index is the most appropriate for the higher education sector given the nature of the workforce. Since last year (2012) the indexation of all programs under the HESA legislation is based on this methodology.

The Commission should note several recent Ministerial statements to the effect that the sector should not experience further funding reductions.

Public funding of research is an essential element in the viability and vigour of the higher education sector, but more fundamentally is an investment for innovation and thus the nation's future productivity. Any reduction in research funding would be both counterproductive and an economically retrograde step. This point has been endorsed by leading business representatives.

Research funding also feeds directly into the success of Australian universities in the international rankings and thus our attraction as a destination of choice for international students. The Commission will be aware of the very significant contribution of international education to the national accounts, but the business environment is extremely volatile and sensitive in particular to perceptions of relative quality and cost. There is a strong argument to substantially **increase** public funding to the sector and particularly to university research in the national interest, not to decrease or freeze current funding levels.