VICE-CHANCELLOR’S REPORT TO ACADEMIC BOARD

20 June 2007

1. Commonwealth Government budget 2007-08

The Commonwealth Government 2007-08 budget, handed down on 8 May, contained a number of initiatives and changes affecting the higher education sector.

Key changes reducing the level of regulation around clusters and enrolment targets will provide increased flexibility for universities to manage their load and profile. For UWA in particular, where there is unmet demand in some areas and where enrolments are weighted toward high cost courses, the changes appear likely to deliver benefits. The full implications will not be known however until the finer detail of the changes can be analysed.

Of particular importance to The University of Western Australia was the allocation of $100 million for the WA Institutes for Health, complementing the $80 million previously committed by the WA Government and $50 million committed by the University. This result demonstrates the success of the approach taken, involving the development of a strong, clearly reasoned case and a well structured and comprehensive approach to Government.

The Government's major initiative, the creation of the $5 billion Higher Education Endowment Fund has sparked considerable interest. The likely impact of the Fund on UWA cannot be accurately gauged however, until the details of funding will be distributed and what impact the creation of the new fund will have on existing schemes such as the Capital Development Pool, is made clear.

Student support initiatives in the budget included the extension of Youth Allowance and AUSTUDY to professional masters by coursework students as well as the expansion of the Commonwealth Scholarship Scheme and the extension of rent assistance to students aged over 25. These are welcome initiatives although it is not yet clear how many UWA students will benefit.

In addition to initiatives specific to the higher education sector, the budget included significant funding increases to the CSIRO, including for three new flagships (niche manufacturing, minerals, and climate adaptation). This funding, and infrastructure funding, including $56.7 million to support Australia’s involvement in the international Square Kilometre Array radio telescope present prime opportunities for UWA to position itself as a key collaborative partner.

2. Education

Group of Eight policy discussion paper ‘Seizing the Opportunities”

Chair of the Group of Eight, Professor Glyn Davis used a speech to the National Press Club on 6 June to release the Go8’s policy discussion paper on higher education and university research. The discussion paper notes that the current higher education policy framework is outdated and makes eight key proposals for a substantially different framework, including:

- The creation of a proposed Australian Tertiary Education Commission (ATEC), which would have responsibility for planning, resource allocation and regulation of tertiary education nationally.
- Student-driven higher education, including universal access to income contingent loans and the creation of a national tuition scholarship as well as a review of student income support to ensure equity of access.
- Block funding of universities that recognises the diversity of mission and expertise within the sector.
- National investment in university research through competitive grants schemes, realistic infrastructure investment and performance based block funding for research.
- Introduction of a validated, metrics-based approach to research quality evaluation.
- A gradual expansion of the number of research training places available and an increase in research training scholarships.

A two-page summary document is attached and the full discussion paper is available from the Group of Eight website at: http://www.go8.edu.au/.
Bid for additional Commonwealth supported places

The Federal Minister for Education asked the State Government earlier this year to put forward a proposal for the allocation of the 1800 new places funded under ‘Back ing Australia’s Future’ and 500 engineering places funded under ‘Skills for the Future’ to commence in 2008. At the WA Department of Education Service’s request for input from WA universities, The University of Western Australia indicated an intention to bid for 300 additional places. These places would be spread across a broad range of courses with the largest distributions proposed for, Engineering (80), Law (combined degree courses) (40), Commerce (30) and Master of Clinical Audiology (30).

The University sought the State Government’s full support for the bid, in recognition of:

• The sustained strong demand from high-quality applicants for places at UWA;
• The University’s ongoing record of delivering quality outcomes (including graduate employment outcomes) consistent with government priorities and funding; and
• The University’s role and performance as the only comprehensive research-intensive university in the State.

With regard to the distribution of places nationally, the submission argued the University’s position that, there should be a view toward equal participation rates in relevant age groups across states and territories and that projected population growth over the next five to 10 years should be taken into consideration.

Chapple Chair in Education

Professor David Andrich, a leading figure in educational measurement and assessment, and formerly of Murdoch University, has been appointed the inaugural Chapple Chair in Education. The Chair was made possible through a generous bequest and will significantly build the capacity of the Faculty of Education and ensure it continues to be at the forefront of education theory and assessment.

3. Research

Federation Fellowships

The University had a very successful result in the Australian Research Council’s latest round of the Federation Fellowships scheme, with two of our researchers honoured. Professor Cheryl Praeger AM (School of Mathematics and Statistics) was awarded a Federation Fellowship for her project ‘group actions: Combinatorics, geometry and computation’. Professor Davis Pannell (School of Agricultural and Resource Economics) will use his Federation Fellowship for the research project: ‘integrating economics and science for land, water and biodiversity policy’. This outstanding result brings the total number of Federation Fellowships hosted by The University of Western Australia to five.

Shanghai Jiao Tong – Academic Ranking of World Universities by Broad Subject Fields

The Shanghai Jiao Tong University, Institute of Higher Education has, for the first time in 2007, published a ranking of world universities in each of five broad subject fields. The top 100 world universities were listed in each of: Natural Sciences and Mathematics; Engineering/Technology and Computer Sciences; Life and Agricultural Sciences; Clinical Medicine and Pharmacy, and, Social Sciences. Individual rankings were given up to 50th position, followed by bands to around 100th. The University of Western Australia was ranked in the top 100 world universities in two of the five areas:

• The University of Western Australia achieved a ranking of 37 in Life and Agricultural Sciences. This was an outstanding result with only three other Australian universities listed (ANU = 44, UQ = 52-76 and UMelb = 77-106).
• In Clinical Medicine and Pharmacy, The University of Western Australia was ranked in the band 51-75. Of other Australian universities only UQ (51-75) and the University of Melbourne (76-108) appeared.

Research Quality Framework Developments

The Federal Minister for Education, the Hon Julie Bishop MP, announced the membership of the Research Quality Framework (RQF) Reference Committee on 20 February. The Committee was established to provide advice during the first RQF cycle on issues including RQF specifications, the process of data moderation and validation and on the development of an RQF information management system. Dr Campbell Thomson, Director, Research Services was appointed to the

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Committee, which includes representatives of government, the research sector and industry (through the Business Council of Australia). The University of Western Australia has previously raised concerns with the Federal Government over the lack of Western Australian representation on committees involved in the development of the RQF so Campbell Thomson’s appointment is extremely pleasing, as is that of Professor Andris Stelbovics of Murdoch University.

Within the University, an RQF oversight committee and two RQF academic committees have been established. The two academic committees, in the broad areas of humanities/social sciences and science/engineering are working to consider the likely research groupings under the RQF. Supporting that work is ongoing development of the Socrates software to provide a clearer view of likely research groupings. Additionally, UWA has been selected as one of 12 sites to host an RQF trial (out of 24 submissions). To undertake the RQF trial, focused on the WA Telecommunications Research Institute (WATRI), the University has been provided with confidential draft RQF specifications. Data collected through the trial will be submitted to the Commonwealth Government by 29 June.

Launch of the UWA Institute of Agriculture
The University of Western Australia’s Institute of Agriculture was officially launched on Friday 30 March by the Minister for Agriculture, the Hon Kim Chance MLC and the Chancellor. The UWA Institute of Agriculture brings together many of the University’s strengths in agriculture teaching and research. The Institute creates a focus for activity across a number of schools and centres, enabling increased coordination of University and industry partnerships and improving the University’s competitiveness for national and international funding. The Institute, which sits within the Faculty of Natural and Agricultural Sciences, is led by Director, Professor Kadambot Siddique.

Productivity Commission report on public investment in science and innovation
The Productivity Commission released the final report of its investigation of public support for science and innovation in late March 2007. The report found that “there are widespread and importance economic, social and environmental benefits generated by Australia’s $6bn public funding support of science and innovation” and that overall, “the benefits of public spending are likely to exceed the costs”. The AVCC and Group of Eight released media statements welcoming the report, which they viewed as supportive. The Go8 statement noted that the Commission recognised:

- The pressures placed on research-intensive universities by ever increasing demands for matching funding.
- That block funding to universities has been eroded over time and that any continuation of that trend risks undermining the ability of institutions to make their own strategic choices.
- That the cost of implementing the RQF may exceed the benefits. The Commission further recommended that the RQF could be improved through funding scales that provided far more support to the highest quality research than the poorest.

4. Management

Pro Vice-Chancellor (Research Initiatives)
In late April 2007, The Vice-Chancellor called for expressions of interest in a newly created position of Pro Vice-Chancellor (Research Initiatives). Reporting to the Deputy Vice-Chancellor (Research and Innovation), the Pro Vice-Chancellor (Research Initiatives) will act as a focal point both externally and internally to foster collaborative research relationships with partners in both the private and public sector. In addition to leading a whole-of-university focus on development of research relationships, the new position will:

1) be responsible for early career mentoring;
2) be responsible for promoting more applications and grants within the ARC Linkage scheme and greater interaction with industry; and,
3) chair the Associate Deans of Research Committee to deliver whole-of-university improvements in performance.

The closing date for expressions of interest was 13 May and it is anticipated that an appointment will be made shortly.

Director, Minerals and Energy Initiative
The University has advertised the new position of Director, Minerals and Energy Initiative, targeting applicants with experience at a senior management level in the resources sector. This
strategic position will coordinate the many activities of The University of Western Australia relating to the resources sector. Research and teaching activities with a resources focus currently take place across multiple faculties, in many schools and centres. The Director, Minerals and Energy Initiative, to be located within the Vice-Chancellor will take a leading role in the coordination of those activities within the University, and in their promotion externally. The position will create a high profile entry point for those seeking to engage with the University and will actively seek external research funding and new partnerships.

5. External relations
Chair of Group of Eight
The Board of the Group of Eight has resolved that I will be the next Chair of the Board, taking over from the current chair, Glyn Davies in September 2007.

Universities Australia
The Australian Vice-Chancellors’ Committee has, on 22 May 2007, become Universities Australia, and has adopted a new constitution and focus.

Toward the end of 2006 the AVCC resolved to implement a number of changes aimed at refining its focus and position as the peak industry body for higher education. Major changes, now implemented, include:

- A change of name from AVCC to Universities Australia
- A full-time President who will be the chief executive and will be the main external advocate and spokesperson for Universities Australia;
- A Chair of the Plenary and Board who is a current Vice-Chancellor; and
- A full-time Chief Operating Officer and a Secretariat to support the CEO and President.

Mr David Rome, was appointed interim Chief Executive Officer in January 2007, for a period ending 30 June 2007.

AVCC report on student finances
On 8 March 2007 the AVCC released its report Australian University Student Finances 2006. Preparation of the report was overseen by an AVCC steering group, chaired by Alan Robson. The report summarises findings of a survey of almost 19 000 students from Australia’s 37 public universities. A key finding from the survey was that students are, on balance, worse off in financial terms in 2006 than in 2000. Full time students reported being particularly affected, with 40 per cent of full time undergraduates reporting that paid work adversely affects their study. The AVCC will use the findings to encourage government to bring about changes to financial support mechanisms for students.

Launch of Winthrop Society
The Winthrop Society was officially launched by the Chancellor at a function in Winthrop Hall on 27 March 2007 that was attended by attended by almost 400 people. The Winthrop Society will promote alumni connections and provide members an opportunity to become more involved with the University. The Winthrop Society aims to continue building a tradition of philanthropy with an objecting being to receive members’ commitment to the UWA bequest program. In response to the launch mail out, 876 people have expressed an interest in joining the Winthrop Society.

Raine Jubilee
The Raine Medical Research Foundation celebrates its 50th anniversary during 2007, with a research symposium and jubilee oration held in April. The research symposium was chaired by science broadcaster Robyn Williams and involved Lyn Beazley, Peter Leedman, John Newnham, Lawrie Beilin and Fiona Wood. The jubilee oration was given by former Australian of the Year, Ian Frazer. The events were extremely successful with around 250 people in attendance.

Distinguished International Alumnus Award
A Distinguished International Alumnus Award was presented to Indonesia’s Coordinating Minister for Economic Affairs, Dr Boediono at a luncheon at the Australian Ambassador’s Residence in Jakarta in May. Dr Boediono graduated from the University of Western Australian in 1967 with a Bachelor of Economics with Honours. Also holding a masters degree from Monash and a PhD in Business Economics from the Wharton School at the University of Pennsylvania, Dr Boediono
I lectured in economics at Gadjah Mada University in Yogyakarta and have long and extensive links to Australia through his studies and research appointments here. First appointed to Cabinet in the 1990s, Dr Boediono came out of retirement to join the Yudhoyono Government as the Coordinating Minister for the Economy. Dr Boediono is widely respected within Indonesia for his achievements as Minister of Finance. He is acknowledged as a reform-minded Minister who played a key role in restoring macroeconomic stability in Indonesia, including effective work with the International Monetary Fund.

Opening of PSB Delta Campus and Singapore alumni event
The University of Western Australia’s partner in Singapore, PSB, opened its new Delta campus in Singapore on 11 May at an official ceremony, attended by the Vice-Chancellor and many others from UWA. The new facilities house new laboratories in which UWA science courses will be delivered. While in Singapore, the Vice-Chancellor also hosted a successful alumni event.

Alan Robson
Vice-Chancellor
12 June 2007
Seizing the opportunities
Summary

The Group of Eight offers for discussion a new policy design for higher education and university research in Australia.

Vision

We see higher education and university research helping Australia to build an internationally engaged competitive economy and a cohesive society.

Our vision is for an Australia where access to higher education is based on intellectual ability, not ability to pay and where capable students are not deterred from participating by up-front costs. Students choose where and what they study, and are provided with accurate and timely information to guide their choices. They have access to second-chance learning opportunities and receive appropriate recognition for their prior learning.

We envisage Australia with a high quality higher education sector of diverse institutions playing to their strengths in responding to changes in student demand and labour market requirements. Australian higher education qualifications testify to standards of learning outcomes that enable graduates to gain employment in their fields anywhere in the world.

We see our research universities performing at the highest international standards while providing service of value to their local communities. Australian researchers have access to state-of-the art research facilities and centres of expertise. There is proper accountability for research training. Early and mid-career researchers are developing as the next generation of leaders.

We see too a properly regulated and well-governed sector that is adequately resourced, providing institutions with the discretion and flexibility they need to sustain quality and international competitiveness.

The need for new policy architecture

Australia’s higher education sector remains under-resourced and over-regulated, yet under-planned and hence insufficiently diversified to cater for changing needs. The current policy framework was designed for a past era. It cannot serve Australia well in the dynamic global knowledge economy. It cannot be patched up any longer. It must be replaced.

We propose eight measures for modernising policy and financing for higher education and university research. Together these measures provide a new framework of balanced incentives. They will give universities the flexibility they need for dealing with change and competition, while providing the Australian community with the services and safeguards it needs.

Proposal 1: An Australian Tertiary Education Commission

We propose the establishment of an Australian Tertiary Education Commission (ATEC) under Commonwealth legislation, with joint Commonwealth-State/Territory appointments. ATEC would be responsible for planning, resource allocation and regulation in respect of post-school education throughout Australia.

ATEC would comprise a Board, a Higher Education Council and a Vocational Education and Training Council. Accountable to the Board would be an Australian Student Financing Service administering scholarships, loans and income support for students.

An Australian Universities Funding Act of the Commonwealth would empower the Higher Education Council to allocate grants to universities for activities that fit their varying missions.

Proposal 2: Student-driven higher education

Student access to undergraduate and graduate courses should be aided by a universal entitlement to an income-contingent loan and, for meritorious and needy students, via national tuition scholarships.

Universal entitlement to tertiary education loans

For higher education the current provisions of FEE-HELP would be available to students accepted into an accredited higher education course. HECS-HELP and FEE-HELP loans would be combined into a Tertiary Education Loan Scheme (TELS).

National scholarships for higher education courses

Australian Higher Education Scholarships, absorbing Commonwealth Grants Scheme payments and other funds, would be awarded to individual students on merit. Payments would be made to the institution at which the student enrols.

Two national order of merit lists would be produced each year, one for school leavers and the other for non-school leavers. The number of scholarships to be awarded each year would be determined by the Commonwealth Minister, on advice from ATEC about the division of scholarships between the two lists.

Higher education institutions would set their prices for courses. They may include service packages as well as tuition in their offerings. ATEC would set tuition price caps by field of education.

We envisage that these upper price points would represent a margin of some 25 per cent on the indicative cost of a course, determined on advice from the Productivity Commission.

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Australian Higher Education Scholarships would carry a value according to the indicative cost by field as advised by ATEC each year. The value of a scholarship for an individual would vary according to the course into which they are accepted.

Where the scholarship value is lower than the course price, the student would be able to borrow all or part of the gap through the Tertiary Education Loans Scheme.
The Government may determine to put higher value weightings on some scholarships to meet skill shortages, or to encourage participation of certain groups.

Enhanced student income support  
ATEC would review student income support arrangements to identify anomalies and offer policy options to government for improving access to higher education by students from low socio-economic backgrounds.

Proposal 3: Mission-based block funding of universities  
A major policy challenge is to recognise differences of mission and capability among universities and encourage each to focus on what it can do best.

We propose that a variant of the “community service” and “innovative activities” components of the Opposition’s compacts be developed as a broad block funding line for public universities. ATEC would be the negotiating agency for government in relation to this new funding line, which we suggest be known as University-Community Partnerships.

ATEC would be able to provide places for designated ‘public interest’ courses for which the Government pays a community service obligation retainer when student numbers are insufficient to sustain worthwhile scholarship.

Proposal 4: National investment in university research  
National competitive peer-reviewed grants for research  
Increased funding is needed in the out-years beyond Backing Australia’s Ability 2 for competitive grants through the Australian Research Council (ARC) and National Health and Medical Research Council (NHMRC). By 2012 the amount of annual funding should be double its present value and all major national competitive grants schemes should cover the full costs of sponsored research.

Adequate investment in research infrastructure  
Research Infrastructure Block Grants (RIBG) should rise progressively over five years to 50 cents in the dollar from their current level of just over 25 cents.

National research hub & spokes arrangements  
A flexible program to provide Australian academics with access to research universities combined with support for the host universities would build a series of hub and spokes networks around Australia.

International engagement of Australian university research  
Australian researchers must be able to participate in international research platforms and networks.

The Prime Minister’s Science, Engineering and Innovation Council should build on its investigations of the potential for Australian R&D collaboration with other countries. This would help inform national investment and international co-investment strategies for research infrastructure and guide priorities for expenditure of the Higher Education Endowment Fund.

The ARC should establish International Centres of Excellence. ARC postdoctoral fellowships should be extended to four years with one year spent overseas.

Proposal 5: Performance-based block funding for research  
A new research funding program would allocate block funds to universities. Funding would be tightly targeted, reflecting a mix of national priorities and institutional strengths, with funding agreements subject to rigorous seven year cyclical evaluations.

Proposal 6: Research quality evaluation  
The Group of Eight supports a cost-effective research quality assessment mechanism for identifying and rewarding the best publicly funded research, wherever it occurs.

A validated metrics-based approach to the assessment of research quality and its broader societal benefits should be adopted.

Proposal 7: A dual system of assistance for research students  
A gradual expansion of research training places should be funded with the goal of raising the total number of domestic research degree students from some 22,000 to around 30,000 over five years. The length of funding support for PhD students should be extended to 4.5 years.

Students undertaking higher degree programs by research should be able to choose among the highest quality research training environments. Institutions should have greater capacity to attract the brightest international research students.

Nationally portable research scholarships should complement the allocation of research training places to universities.

Allocation of research training places to universities  
The Research Training Scheme formula should be replaced, over time, with a formula based on institutional performance in the national competitive grant schemes and in winning research contracts from industry.

Allocation of research training scholarships to students  
Some 1500 new research training scholarships with stipends would be awarded to individual students either through a national merit ranking or through additional scholarships under the Australian Postgraduate Awards Scheme, for students new to an institution. The individual value of a scholarship will vary according to research field weightings.

Some 500 scholarships would be available for attracting international students. The scholarships would be allocated to universities on a competitive basis, with universities selecting the students.

Proposal 8: Managing the transitions  
We envisage universities retaining core funding for teaching related purposes over the transition in order to continue providing services to enrolled students and for making adjustments to changing functions. The Government’s recent Budget initiatives provide such a funding guarantee for university teaching activities. During the transition period we envisage each university retaining its research funding at close to present levels through performance-based block grants. They should be able to use those funds as required to develop new activities to advance their missions.

Taken together these eight initiatives would modernise Australian higher education and university research, widen student choice, promote diversity and underpin international competitiveness.

This is a summary of a comprehensive policy paper released by the Go8 on 6 June 2007: www.go8.edu.au/policy/current.htm