

## THE COMING TRANSFORMATION OF AUSTRALIAN UNIVERSITIES

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Australian universities are facing profound changes in policy over the next few years, changes probably more significant than the round of changes which emerged from the Crossroads process. Education Minister Nelson has initiated consultation processes on funding for research quality, a Commonwealth takeover of university governance and sector diversity. The paper on sector diversity signals Ministerial thinking that the contemporary Australian university sector is heterogeneous and this should be recognised. However, it is unlikely that any purpose would be served by labelling a university “teaching only”, and so this bogeyman for universities is probably not a realistic threat. However, what is relevant is the outworkings of the research quality framework.

The research performance of Australian universities is highly variable. Research, as traditionally conceptualised, is concentrated in a relatively small proportion of Australian universities, and the Research Quality Framework will clarify and make explicit this heterogeneity. But implementation of a new research infrastructure policy will drive further realignment of the sector and could harm rather than help Australia’s overall position. The Research Quality Framework will impact not only on research, but will also impact on the way universities are perceived, both within Australia and internationally. Universities are typically status-maximising institutions and students also tend to gravitate towards high status institutions. Amongst academics, status is generally measured by research performance rather than teaching and students are attracted to high status universities, regardless of their reputation in teaching. In the United Kingdom universities are ranked both in terms of research and teaching performance, but paradoxically research performance is more salient for undergraduate student recruitment than teaching performance. The UK research performance indicator is higher profile in the media and certainly occasions more discussion within universities. The same will probably be true in Australia. The results of the Research Quality Framework, then, will have an impact on universities beyond their ability to provide research infrastructure, and this despite the development of metrics for the Learning and Teaching Performance Fund.

The Australian university sector has performed relatively well in terms of export generation. If the Research Quality Framework is not carefully implemented, it may impact adversely on this. Australia is a relatively small country and although there is competition between universities in Australia, our greatest competition, in terms of the long-term positioning of the nation, is with universities in the United States, Europe and parts of Asia. If Australia is to have a number of “world class universities” this should not be at the expense of undermining the overall performance of the Australian university sector and harming Australia’s exports of tertiary education.

Government thus needs to be pursuing a number of policy objectives simultaneously. The equitable distribution of research funding needs to be considered in the context of impact on export market development (both for research students and undergraduate students) and access objectives for Australian students.

Minister Nelson has indicated that he does not expect all universities to be funded under the Research Quality Framework and, if outcomes are similar to the United Kingdom that would certainly be the case. What is not clear is whether the Research Quality Framework will apply to other research-intensive institutions which are not labelled universities, in particular whether the CSIRO, medical research institutes and other freestanding research organisations will also be covered. Government should be agnostic as to where good quality research is performed, and there is thus logic in allowing wider access to infrastructure funding. It would also be consistent with the thrust of the discussion paper on sector diversity.

If Australia follows the United Kingdom experience, universities would look to strengthen their position by judicious recruitment strategies. Universities with deep pockets, able to fund these

transitions, are obviously better positioned for this environment. Universities' research development plans can no longer simply be based on an exhortation to perform better, but must ensure that internal and external incentives are aligned. The more incentives are out of alignment, the more there will be strong incentives on good research groups to move to universities where there is a better alignment of incentives. Similarly, all universities will need to become more responsive to the new environment and pursue more entrepreneurial strategies and position themselves internally to facilitate this.

But the burden of positioning the Australian university system to respond well to the new environment does not rest only with the universities themselves. The government must design the Research Quality Framework in such a way as to facilitate institutional positioning, domestically and internationally.

At the very least the Research Quality Framework must recognise the importance of ensuring that academic staff keep abreast of the research literature to inform their teaching. All university staff should be "research aware", even if they are not research active. A well-functioning Research Quality Framework would recognise the range of different sorts of scholarship, in particular recognising what Boyer has called the scholarship of discovery (the more traditional research activities) as well as the scholarship of engagement or application, which is about working with industry on industry-generated problems and translating research findings into local application. Although Australia punches above its weight in a number of disciplines, most of the research which will improve Australian competitiveness and Australian services is undertaken internationally. Ensuring that Australian industries and services are able to use this research is an important role of many universities, particularly universities which have a recognised regional mission. Many of the newer universities have also positioned themselves to be relatively stronger in the scholarship of engagement *vis à vis* the scholarship of discovery.

The Research Quality Framework should recognise the multi-dimensional nature of scholarship and not rely on a simple univariate measure of research quality. Universities could then focus their claims on the different sorts of scholarships. This would facilitate Australian university marketing strategies in Asia. Government financial decisions about allocation of funding under a Research Quality Framework may still reward the scholarship of discovery and the scholarship of engagement differentially, and so a multi-dimensional research performance exercise would not undermine the objective of assisting and promoting world-class universities. The recent Research Quality Framework Approaches paper hinted at recognition of the scholarship of application by discussing 'third stream' funding. Something stronger will be required in the final iteration of policy.

Government must also assist universities in terms of institutional re-positioning. A closer alignment of internal and external incentives means that cross-subsidies within universities will have to be very carefully managed. This in turn means that universities will need to be freer in terms of divestment of non-productive areas and rationalisation of courses. The more barriers that are put in the way of institutional re-positioning, the more a university will be unfairly hampered in an otherwise equitable system. The increased Government oversight seen since Crossroads militates against flexibility of university responsiveness to environmental changes in terms of changes in student or employer preferences. There may also need to be more fundamental re-positioning through university amalgamations, and again government will need to facilitate this.

The first round of the government's response to Crossroads was particularly focussed on financial incentives on individuals through higher student contributions and wider access to full-fee undergraduate places in universities. Although these changes are important, the more profound changes to the sector will come through the changed financial incentives on the institutions themselves. Universities are only now working through the first round of Crossroads changes in terms of the enhanced accountability for Commonwealth core support. The forthcoming changes from the Research Quality Framework will have a more profound effect on universities which will require more strategic responses and more significant re-positioning.