

An indicator framework for higher education performance funding

Response by Griffith University

Overview

The department proposes 16 indicators (table 1). These are far too many and would create an enormous workload for the department and the sector. The sheer number of them detracts from the important goals of the government's higher education strategy and masks those that are of greatest significance.

Table 1: performance indicators proposed by DEEWR

Indicator	Measure
<i>Student participation</i>	
Overall	Increase in the number of all commencing domestic undergraduates in 2011
Low SES	Maintain the number of low SES students
Low SES	% increase in access of domestic low SES undergraduates in 2011
Other equity group	Maintain the number of students in the other equity group
Other equity group	% increase in access of domestic undergraduates of another equity group in 2011
<i>Student experience</i>	
First year retention (engagement)	% increase in retention rate of first year domestic undergraduates commencing in 2010 and continuing in 2011
Satisfaction	% improvement in the ceq good teaching and overall satisfaction of students who completed in 2010
<i>Student achievement</i>	
Progress overall	% improvement in the progress of all domestic undergraduates in 2010
Progress low SES	% improvement in the progress of low SES domestic undergraduates in 2010
Progress other equity group	% improvement in the progress of domestic undergraduates of another equity group in 2010
Retention overall	% improvement in the retention of all domestic undergraduates enrolled in 2010 and continuing in 2011
Retention low SES	% improvement in the retention of low SES domestic undergraduates enrolled in 2010 and continuing in 2011
Retention other equity group	% improvement in the retention of domestic undergraduates of another equity group enrolled in 2010 and continuing in 2011
<i>Quality of learning</i>	
Teacher quality	Increase in the proportion of teaching only and teaching and research staff in academic organisation units with a graduate certificate in higher education or equivalent
Graduates' general skills	% increase in agreement of domestic graduates who completed in 2010 that their program developed their general skills
Graduates' outcomes	% increase in proportion of graduates who completed in 2010 who proceed to further study or employment

Source: adapted from Department of Education, Employment and Workplace Relations (2009)

Unlike measures of research publications, citations and research funding which reflect different facets of research, the indicators proposed by the department are not congruent. For example, many institutions perform poorly on the proportion of their students from equity groups, while performing well on retention rates. So it is likely that some institutional measures will improve while others will worsen from year to year for a given institution. Furthermore, many of the measures change little from year to year. The combination of small and contradictory movements in the measures from year to year means that once an institution's targets and performance related funding is determined it is likely to move little from year to year. This will suppress any signal or incentive that performance funding is meant to provide. Furthermore the time-delay in many of the indicators means that changes in strategy and actions by a university are unlikely to be reflected in outcomes on the indicators for at least 2 years.

Most of the targets proposed by the department are for domestic undergraduate students so institutions' shares of this student load should be used to calculate their share of performance funding.

Recommendation: That the number of indicators be rationalised to highlight those that are most important, that present a congruent message and that reflect current rather than historical performance of universities.

Student participation - overall

The department's default target for institutions to increase their student load (page 8 of the discussion paper) currently fails to take sufficient account of individual circumstances of universities. This is particularly true with respect to recent growth. The proposal notes that growth prior to 2011 "may" be taken into account, and also that the indicator needs to be sufficiently flexible to accommodate the universities' strategic ambitions with respect to size. However, it is important that recent growth prior to 2011 be acknowledged more specifically in the setting of targets. From 2004 to 2009, Griffith University grew from 16,220 to 19,618 Commonwealth Supported EFTSL. This represents one of the largest increases among Australian Universities during this period. Continued growth at such a rate is not sustainable.

Griffith University has invested substantially to expand its Gold Coast campus to serve the expanding population of the Gold Coast region, but has now reached the limit of its space and its capacity to invest in more buildings and facilities from its own resources. It is now relatively highly geared for a university and further borrowings would not be advisable. Griffith will therefore need capital funding from other sources in order to expand.

These points illustrate the need to consider variation in targets according to individual circumstances. Other universities may face other challenges. For example, some universities have only one campus which has already reached optimal size and shouldn't or cannot be expanded further. Others may have restrictions on growth targets as they do not have sufficient student demand, and this is evident from the universities that have cut their Commonwealth supported student load recently.

Recommendation: Load targets need to be sufficiently flexible to take into account strategic goals and specific circumstances of each university.

Students from a low socio economic status background

There should be a small rewording of the department’s performance goal for the participation and inclusion measure: ‘Increase participation of people from low SES backgrounds in undergraduate higher education’ (page 8). The document then refers to a measure of the “number” of low SES students. The problem for students from a low socio economic status background is that while their numbers have been increasing (Bradley, 2008: 29) their share of enrolments has not. This goal should therefore be restated as: ‘Increase the participation *rate* of people from low SES backgrounds in undergraduate higher education’.

It is not clear why a target for the number of students in each equity group is needed (page 8) when previously monitoring the rate of equity group’s accesses and participation has been sufficient. Although increased participation by other equity groups is of course important, the inclusion of so many targets simultaneously may detract from the goal of increasing participation rates among low SES students.

The department provides no justification for including the number of students receiving income support in an interim measure of low socio economic status background (page 11). As Bradley (2008: 54) reported, 49% of students receiving income support come from households with annual incomes above \$80,000 and 36% come from households with incomes above \$100,000. The Deputy Prime Minister has frequently referred to these figures to argue that current student income support is very poorly targeted. Income support should not be included in a measure of low socio economic status until initiatives are in place to ensure that such support is restricted to those in financial need.

Recommendations: The target for low SES students should be restricted to an increase in participation *rate*, and the indicators should not be broadened to include targets for other equity groups at the present time. Income support should not be included as an indicator unless it can be assured that this is limited to those in financial need.

Student engagement - first year retention

The department cites a student survey to argue that institutions influence first year student retention (page 12) but doesn’t refer to its own study (DEST, 2004) which finds that while institution is a factor in first year student retention, it is a relatively small component which is swamped by other unknown influences (table 2).

Table 2: amount of variance in the attrition rate of commencing first year bachelor students explained by factors for which the Commonwealth collects data

Factor	%
<i>Institution</i>	1.65
Type of attendance (full-time/part-time)	2.27
Basis of admission/TER	1.41
Mode of study (internal/external)	1.1
Age	0.73
Field of education	0.65

NESB status	0.63
Residency (Australia/overseas)	0.37
Location (rural/isolated)	0.25
Indigenous status	0.16
Size of institution by field of education	0.06
New to higher education	0.04
Disability status	0.02
Socio-economic status - education/occupation	0.01
Socio-economic status - economic resources	0.01
Sex	0
Level of program	0
<i>Sub total non institutional factors</i>	<i>7.71</i>
Total of variance explained	9.36
Unexplained variance	90.64

Source DEST (2004) Table C4: bivariate regressions on attrition rate, adjusted R² %

Griffith University agrees that it will be important to take into account the individual circumstances of universities and their capacity to significantly influence the retention rates of their students.

Recommendations: the setting of retention targets must take into account the individual circumstances of universities and their capacity to significantly influence the retention rates of their students.

New university experience survey

Griffith University has some concerns about the development and use of a new university experience survey (page 15). As the department notes, Australian higher education already has a plethora of surveys of student experience. Any new survey should be short, easy to administer and should replace existing surveys. Given the risk of over-surveying of students, a sampling process may be appropriate. It should also be administered and processed externally by an independent body in order to reduce bias that may result from differences in administration practices. Any new survey should have widespread acceptance as an indicator of student engagement and positive university experience across the diverse range of university settings.

Recommendations: the development and use of a new university experience survey should be approached with careful consideration as to its value, applicability across the sector, and avoidance of over-surveying of students.

New measure of student completions

Griffith University supports the replacement of the current retention indicator with a new indicator of completions that tracks students individually by their Commonwealth higher education student support number (page 18). This would generate some useful national data on the completion of students who start at one institution and transfer to another. However, as the department notes, determination of completion rates will be restricted by the limited coverage of Commonwealth higher education student support numbers to students who incur a higher education loan program debt, a limitation that was pointed out to the Commonwealth at the

time the number was introduced. The Commonwealth should extend the Commonwealth higher education student support number to all domestic students.

A graduate skills assessment

Griffith University does not agree that there is likely to be value in implementing the graduate skills assessment as an indicator of general skills (page 22). For a time the Commonwealth subsidised institutions to administer the graduate skills assessment but the take up has been minimal and falling. This is because the test isn't measuring anything considered useful in higher education, or indeed, by employers. The general skills sought to be assessed by the graduate skills assessment seem plausible when stated in the abstract but soon collapse when concrete examples are considered. For example, problem solving in physics is quite different from problem solving in law, and each is different again from a counsellor's problem solving. To refer to the same capability the skill has to be stated so generally as to be meaningless or specified so closely as to be no longer general. Indeed such a measure risks defaulting to simplistic indicator of cognitive capability and generic intellectual functioning. Furthermore, such a measure is unnecessary. The quality of student outcomes can be implied through a combination of student completion rates and monitoring to ensure adequacy of academic standards.

Recommendations: the proposal to introduce a graduate skills assessment should be abandoned.

Proportion of teaching staff with the graduate certificate in higher education

Griffith University does not at this stage support adding a performance indicator for the proportion of staff with a teaching duty holding the graduate certificate in higher education (page 20). The university is not aware of any study that demonstrates that teachers with the graduate certificate in higher education are better teachers demonstrated, for example, by getting higher ratings in students' evaluation of teaching.

Recommendations: an indicator relating to proportion of staff completing a graduate certificate of education should not be included.

Assessing institutions' performance against targets

The process by which universities' performance against the targets will be judged is not yet clear. Griffith University does not support institutions' targets being assessed by a different body to that which sets the targets since this would separate responsibility and therefore accountability for setting and assessing targets. In particular, Griffith does not support targets being assessed by the Tertiary Education Quality and Standards Agency (page 25). It would be wasteful for the Tertiary Education Quality and Standards Agency to duplicate the Department of Education, Employment and Workplace Relations' resources and expertise to measure and assess institutions' performance. It would make more sense for the responsibility for both setting of targets and evaluation of performance against these targets to remain in the one agency, namely DEEWR.

It is also bad in principle for the Tertiary Education Quality and Standards Agency to recommend on performance funding since the agency should concentrate on assessing institutions' compliance with the national protocols for higher education approval processes and other standards.

Recommendations: the responsibility of setting of targets and evaluation of performance against those targets for funding purposes should remain within the single agency of DEEWR.

References

Department of Education, Employment and Workplace Relations (2009) *An indicator framework for higher education performance funding discussion paper*, <http://www.deewr.gov.au/HigherEducation/Pages/IndicatorFramework.aspx> (accessed 11 December 2009).

Department of Education, Science and Training (DEST) DEST (2004) *Technical note 1: student outcome indicators of Australian higher education institutions, 2002 and 2003*, http://www.dest.gov.au/sectors/higher_education/policy_issues_reviews/key_issues/assuring_quality_in_higher_education/technical_note_1.htm

Review of Australian higher education (Bradley, Denise, chair) (2008) *Final report*, www.deewr.gov.au/he_review_finalreport (accessed 23 December 2008).