



UNIVERSITIES
AUSTRALIA

DISCOVER LEARN LEAD

Efficient Regulation of Higher Education and Research

Universities Australia Submission to the
Productivity Commission Annual Review
of Regulatory Burdens on Business

March 2009

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Executive Summary

Universities Australia makes this submission to the Productivity Commission's Annual Review of Regulatory Burdens on Business — Social and Economic Infrastructure Services on behalf of Australia's universities, which, due to their broad activities in higher education and research, are appropriately subject to a range of government regulation.

Australia's universities are, however, subject to a wide range of regulatory reporting requirements which are excessive and are causing inefficiencies.

There are immediate policy reforms necessary that will have the effect of improving the ability of Australia's universities to focus their activities on their core business of teaching, research and community engagement, and these are discussed throughout this submission. Universities Australia makes the following recommendations:

Recommendation 1: Replace the existing Institutional Assessment Framework with a streamlined triennial meeting covering institutional strategy and benchmarks for mission-specific funding.

Recommendation 2: Streamline and make consistent the regulatory and reporting obligations of institutions offering both vocational and higher education qualifications.

Recommendation 3: Initiate an external audit of the relevance and accuracy of the data collected by universities for DEEWR each year.

Recommendation 4: Review the collection of course information and the Going to Uni website with a view to abolishing them if they are not of widespread value to prospective students.

Recommendation 5: Designate a single Commonwealth officer at the Deputy Secretary level to be responsible for the oversight of university compliance and reporting requirements, supported by a committee including representatives from the higher education sector.

Recommendation 6: Maintain a register of all Commonwealth compliance and reporting requirements for universities and their timeframes on the DEEWR website.

Recommendation 7: Abolish the present student learning entitlement.

Recommendation 8: Consolidate university special purpose funding into a small number of funding streams to be negotiated and reported against jointly through the triennial planning process proposed in Recommendation 1.

Recommendation 9: Review the current format of the Research and Research Training Management Report with a view to shortening and streamlining the content.

Recommendation 10: Retain the primary responsibility of universities for consideration of research misconduct allegations when the Government finalises its position on misconduct.

Recommendation 11: Review Part B of the Australian Code for the Responsible Conduct of Research with a view to improving its effectiveness and transparency.

I. Introduction

Universities Australia is pleased to make this submission to the Productivity Commission's Annual Review of Regulatory Burdens on Business — Social and Economic Infrastructure Services.

Universities Australia is the national peak organisation representing 38 of Australia's universities in the public interest.

Given the scope of universities' activities in higher education and research, such bodies are appropriately subject to a range of government regulation. However, as a result of factors including overlapping Commonwealth-State responsibilities, the 'over-engineering' of regulatory oversight of universities, and recurring political interference into higher education and research policy, the regulatory burden on the sector has over time become excessive and inefficient.

Universities Australia congratulates the Government on working with the sector to implement important steps towards relieving the regulatory burden on universities, including removing the funding conditionality related to adherence with the Higher Education Workplace Relations Requirements and the National Governance Protocols. Universities Australia also welcomes the announcement by the Deputy Prime Minister on 4 March 2009 of a progressive deregulation of the current mechanism of central allocation of Commonwealth-supported university places.

Nonetheless, there remain other requirements, such as reporting on student learning entitlements, which appear to be duplicative or unnecessary, and this submission suggests a range of further areas for a reduction or streamlining of regulation. According to the *University Reporting Requirements* study conducted by PhillipsKPA for the Australian Vice-Chancellors Committee (now Universities Australia), following the previous Government's Building Australia's Future reforms, universities:

are probably subject to more reporting requirements than any other type of organisational entity. The total sum of reporting requirements is unseen by any single government agency.¹

Several of the recommendations of this submission are based on the findings of the *University Reporting Requirements* study. The submission also addresses issues raised in the Bradley Review of Australian Higher Education ('Bradley Review'), the implementation of which will need to be carefully managed so as not to increase the net compliance burden on universities.

The submission does not address wider issues of policy in relation to matters such as the wisdom of extensive price, quantity and quality regulation of higher education - forms of regulation that were long ago abandoned under micro-economic reform in many other sectors. Rather it accepts the restriction evidently required for this Inquiry as to obliging a focus on how policy decisions are administratively implemented.

Part of the difficulty for universities here lies in their position as organisations established under State and Territory legislation, but simultaneously subject to a significant amount of Commonwealth oversight. A summary of key primary legislation affecting higher education is provided at Attachment A. With a few exceptions, Australia's universities have been created through State or Territory Acts of Establishment and must meet the full range of auditing and accountability requirements applying to public entities in their particular jurisdiction. However, since 1973, public funding of universities has been primarily provided by the Commonwealth, which has attached ever-increasing conditionality to that funding, even as its proportion of overall university revenue has fallen to around 40 per cent.

The reform process surrounding the Bradley Review and the broader COAG skills agenda provides the opportunity to reconsider issues such as the 'student learning entitlement', the Institutional

¹ PhillipsKPA, *University Reporting Requirements*, 2006, p. 11.

Assessment Framework, the proliferation of special purpose funding streams and university data collection and publication requirements. The removal of unnecessary 'red tape' in these areas would allow universities better to concentrate their resources on the teaching and research outcomes that will drive Australia's future productivity and economic performance.

2. Universities and the Australian economy

Australia's university sector constitutes a major industry in its own right. Australia's universities have an annual turnover of approximately \$17 billion, with one million students and 100,000 employees. Universities are important sources of direct and indirect employment and economic activity in many cities and regional areas, spending \$1.5 billion each year on construction and maintenance alone.

Australia's university sector is also a significant contributor to Australia's broader economic performance, through the higher productivity of university-trained workers, through returns from university research and innovation, and through export earnings from overseas students. A conservative estimate for the rate of return on higher education is fifteen per cent on the teaching side and twenty-five per cent on the research side.² Universities are the major contributor to education services exports, which are now the third largest earner of export dollars for Australia (with only coal and iron ore earning more).³

The university sector can uniquely claim to be:

- the source of the principal skills needed for economic recovery and the country's future in the global knowledge economy;
- the primary provider of the public research needed for improving Australia's innovation capabilities in the 21st century;
- a leading national export industry at a time of declining prices for Australia's traditional commodity exports;
- a major source of knowledge on current social and economic challenges, and a leading means to advance social opportunity for all Australians;
- a leading contributor to environmental understanding and good practice in an environmentally light touch sector; and
- highly transparent, open and accountable in its use of public support and resources.

Recent research has shown that each university graduate receives \$1.5 million more in life-time earnings than the average school-leaver with no post-school qualifications.⁴ This represents around \$500,000 more per graduate in taxes over a life-time. However, Australia is the only country in the OECD where real spending on higher education has declined over the last decade.⁵ In spite of the sector's many strengths, this long period of fiscal neglect has seen serious degradation of university infrastructure, unsustainable loads for staff and inevitable compromises in teaching and learning.⁶

² Andrew Leigh, "Returns to Education in Australia", *Economic Papers*, 2008; Econtech, "Economic Impact of Public R&D Activity In Australia", *Report to the Department of Education Science and Training*, 2006.

³ Australian Bureau of Statistics trade data reveals that international education earns Australia \$15.5 billion per annum, placing it ahead of tourism and far ahead of other service industries and traditional agricultural exports. Australian Bureau of Statistics, *International Goods and Services (5368.0)*, December 2008.

⁴ NATSEM, "What Price the Clever Country?" in AMP.NATSEM *Income and Wealth Report*, Number 21, November 2008.

⁵ OECD, *Education at a Glance*, 2007, p. 222.

⁶ Some independent studies indicate that Australia has indeed evolved one of the better higher education systems overall e.g. Lisbon Council, *University Systems Ranking*, Brussels, 2008. Australian universities have served the country better than

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At the same time as the government proportion of university funding has fallen, successive governments have sought to make continued university autonomy conditional upon adherence with an increasing range of reporting and accountability requirements.⁷ As Government funding currently fails to meet the actual cost of undertaking Commonwealth-supported teaching and research, there is an acute need to assess the necessity of this 'red tape' (but still maintain appropriate accountability) to ensure that the maximum possible amount of public funding is directed to the classroom and to the laboratory.

3. Government quality assurance mechanisms

As universities are currently subject to auditing of their operations by State and Territory Governments – an issue that is under reconsideration as part of the Bradley Review – Commonwealth compliance mechanisms in general should be limited to those necessary to ensure that Commonwealth grants are appropriately accounted for. Unfortunately, current regulation goes far beyond this, leading to a significant overlap between Commonwealth and State responsibilities. There is also a large overlap between the activities of DEEWR and the Australian Universities Quality Agency (AUQA), with the potential for further duplication through the proposed move to increased mission-specific funding for universities.

At the State and Territory level, the accountability of universities is comparable to that applying to any other statutory body. For example, in NSW, universities are subject to (*inter alia*) the operation of the *Public Finance and Audit Act 1983*, the *Ombudsman Act 1974*, and the *Annual Reports (Statutory Bodies) Act 1984*. The NSW Auditor-General provides an annual report to Parliament on the performance and financial position of universities in that jurisdiction. Universities are in turn required to respond in their own annual reports to any recommendations made by the Auditor-General or Ombudsmen in their reviews of university activities. In addition, 'dual sector' universities that offer vocational as well as higher education qualifications are subject to state-based regulation of the allocation of vocational places and quality assurance of these courses.

At the Commonwealth level, AUQA audits universities on a five year cycle, undertaking a thorough peer review that includes an overview of the whole of a university's activities and a detailed consideration of two aspects of a university's mission. While AUQA does not have the power to 'disaccredit' universities, it can make particular recommendations which the Education Minister may direct universities to respond to. The Bradley Review has recommended that AUQA be absorbed into a new national accreditation body for all higher education providers. Universities Australia supports the establishment of a new national body, but argues strongly that the net compliance burden on universities should not be increased as a result of any new arrangements.

In parallel with the AUQA process, DEEWR conducts a detailed review of each university's operations on an approximately biennial basis through a process known as the Institutional Assessment Framework (IAF). This is a negotiation between universities and the education bureaucracy that covers strategic planning, financial stability, capital management, student load, access for underprivileged groups, research and research training. Universities prepare a detailed 'profile' for DEEWR prior to each IAF visit. The IAF is a resource intensive process for both universities and DEEWR, with the size and cost of the higher education regulatory function of DEEWR expanding

is often appreciated. But the annual rankings, while an imperfect indicator of quality, show concerning signs of slippage of individual universities in recent years, e.g. in the annual Times Higher Education Supplement rankings and the Shanghai Jiao Tong university rankings.

⁷ Ingrid Moses, 'Institutional Autonomy Revisited: Autonomy Justified and Accounted', *Higher Education Policy*, 20 (2007) pp. 261-74.

significantly over the last decade.⁸ Given the costs involved, the overlap with AUQA and State Government audits and the principle that universities are essentially autonomous institutions, it is certainly arguable that the current IAF is duplicative and unnecessarily burdensome.

The planned move by the Government towards the negotiation of mission-specific funding with universities could create a further layer of planning and reporting, but at the same time may provide an opportunity to reassess the merits of the IAF. The policy intent of regular negotiation of priorities between Government and universities is supported. However, a shorter combined triennial process could appropriately cover an overview of key directions for the university and the setting of priorities and benchmarks for supplementary funding based on distinctive university missions (e.g. equity targets, innovative course offerings, research networks).

As part of the Government's commitment to strong and cohesive national regulatory arrangements for vocational education in its response to the Bradley Review, the regulatory burden on 'dual sector' institutions should also be reviewed and streamlined. A blurring of boundaries between higher level vocational qualifications and traditional bachelor degrees, and the need for clear and flexible pathways between the two, calls for consistent and efficient regulation across the higher education/vocational education divide. This could be accomplished through the COAG process or (as recommended by the Bradley Review) through the referral of vocational education powers to the Commonwealth.

Recommendation 1: Replace the existing Institutional Assessment Framework with a streamlined triennial meeting covering institutional strategy and benchmarks for mission-specific funding.

Recommendation 2: Streamline and make consistent the regulatory and reporting obligations of institutions offering both vocational and higher education qualifications.

4. Regulatory compliance and reporting costs

Data Collection

Subdivision 19-E of the *Higher Education Support Act 2003* mandates the collection of a range of statistical and other information by DEEWR on behalf of the Education Minister. This information is used to monitor university enrolments, HECS-HELP and FEE-HELP debts, Centrelink entitlements and international student visa conditions. It also provides an important statistical resource for policymakers and universities themselves.

There is currently no mechanism through which the relevance of the overall dataset collected from universities is subject to review, although the Australian Bureau of Statistics set out a plan to improve the coordination and consistency of education-related data as far back as 2004.⁹ One result has been a steady accumulation of different requirements at different times without any clear shared vision between the Government and universities about the overall purpose of what is being collected. Many new elements have merely been added to the collection burden without a check to see if existing elements are still required.

This has led to a situation where many variables have similar names but different collection purposes, or different names but similar purposes. For example, age of student is recorded twice, once under age and once under participation age. Nowhere are the two terms distinguished or is it even

⁸ Peter Quiddington, 'Capturing the Academy: Australian higher learning and the exceptional powers of the regulatory state', *Public Policy*, 3:1 (2008), pp. 31-50.

⁹ Australian Bureau of Statistics, *Measuring Learning in Australia: Plan to Improve the Quality, Coverage and Use of Education and Training Statistics* (4231.0), 2004.

acknowledged that two age elements exist. Furthermore, definitions of elements are often unclear. For example, 'location of permanent home residence' (element 320) is designed to determine which country overseas students come from. However, there are many students whose 'citizenship' (element 358) is listed as 'temporary visa', but who list 'Australia' as their location of permanent home residence. Given that this error occurs every year and takes considerable time to check and correct it would appear that the question is not eliciting the appropriate response.

Many of these issues could be addressed through an audit of the DEEWR statistical collection in terms of its methodology, data elements and overall fitness for purpose. In addition, a strategic framework should be developed to ensure the continued relevance of the collection into the future. This process could be undertaken by the Australian Bureau of Statistics on a consultancy basis or by another external expert in statistical collections.

Recommendation 3: Initiate an external audit of the relevance and accuracy of the data collected by universities for DEEWR each year.

Course details and the 'Going to Uni' Website

The *Higher Education Support Act 2003* introduced a number of requirements concerning the information provided by universities to prospective students and DEEWR. Central to these was a standardised template for collecting information about higher education courses, units, entry requirements, eligibility scores, tertiary entrance scores and fees. This information is published on a Government-run website called 'Going to Uni' (www.goingtouni.gov.au).

The need to produce this information in the approved format (invariably different from the format used by universities themselves) imposes significant additional costs on university administrations. More importantly, the requirement that course details must be finalised by August of the preceding year, with DEEWR (and sometimes the Minister) needing to approve variations, has been a persistent source of annoyance to universities. It unnecessarily restricts the ability of universities to tailor course offerings to student demand, current events and/or the expertise of available staff.

The Going to Uni website itself is poorly designed and is probably not widely used. It does not compare well with other Government websites such as Australian Education International's 'Study in Australia' resource. Going to Uni largely duplicates information available from Tertiary Admissions Centres, universities themselves and private publications such as the 'Good Universities Guide'. Moreover, the required format for publishing fees and entrance scores can actually be misleading for students as there are a range of factors affecting these numbers that are not reflected on the website.

Recommendation 4: Review the collection of course information and the Going to Uni website with a view to abolishing them if they are not of widespread value to prospective students.

Coordination of compliance and reporting requirements

According to the *University Reporting Requirements* study, universities are required to adhere to approximately 100 different Commonwealth and State Acts, and a greater volume of subordinate legislation. Much of this legislation imposes reporting obligations that are inconsistent in their information gathering requirements, presentation and timing. Often it is unclear to universities why they are required to report particular information at all. The result aligns closely with former US Education Secretary Lamar Alexander's description of the American higher education regulatory framework as a 'well intentioned contraption of unnecessary rules and regulations'.¹⁰

¹⁰ Lamar Alexander, 'Alexander Says Greatest Threat to Higher Education Is Overregulation, Not Underfunding', Press Release, 31 July 2008.

The Minister responsible for research, Senator the Hon. Kim Carr, has stated that the Government's objective with respect to university regulation is to 'reduce the level of red tape, to re-assert the importance of universities in their decision making processes and to essentially extend to universities a sense of professionalism that was denied by the previous Government'.¹¹ In this respect, the Government's repeal of the funding conditionality applying to the Higher Education Workplace Relations Requirements and National Governance Protocols was widely welcomed by universities.

However, a much greater effort is called for to coordinate, streamline and where possible remove regulatory measures applying to the higher education sector. As an example, the Government in 2008 introduced a HECS-HELP National Priority Band for Mathematics, Statistics and Science with the full support of universities. However, numerous institutions have commented that little or no consultation occurred on how this was to be implemented. As it stands, to ensure the correct fees are charged, each institution is likely to have to manually check each student transferring their course of study for a pre-2009 commencing student.

A number of institutions have also expressed concern at the compliance burden relating to the visa status of international students. Under the framework of the *Educational Services for Overseas Students Act 2000*, education providers are required to monitor and report in detail on the course progress of individual international students using the PRISMS database. While overall the *Educational Services for Overseas Students Act 2000* is considered good regulatory practice, there are a number of issues of concern with restrictions on the external/online component of courses, under-load reporting and the management of appeals processes that should be subject to ongoing attention.

The table at Attachment B provides some idea of the scale of additional compliance requirements that universities have been subject to in recent years. A clear shortcoming in managing this compliance load is the absence of any formal co-ordination of university regulation across different portfolios (education, research, immigration, etc). For example, even a minor change to university computer systems to accommodate a difference of definition or reporting timeframe between Government departments we estimate to cost each university approximately \$150,000 to implement.

Universities Australia believes that the best way to address this kind of issue would be task a senior officer (preferably a Deputy Secretary in DEEWR) with cross-portfolio oversight of university compliance and reporting requirements. To be effective, this officer should be supported by a small unit within DEEWR (sitting outside the Higher Education Group), and should be advised by a high-level committee including representatives of different Government departments and universities, together with independent experts on effective regulation. As recommended by the *University Reporting Requirements* study, DEEWR should produce a register of university compliance and reporting requirements across portfolios, which will allow the extent of university regulation to be transparent to all stakeholders.

Recommendation 5: Designate a single Commonwealth officer at the Deputy Secretary level to be responsible for the oversight of university compliance and reporting requirements, supported by a committee including representatives from the higher education sector.

Recommendation 6: Maintain a register of all Commonwealth compliance and reporting requirements for universities and their timeframes on the DEEWR website.

Student Learning Entitlement

¹¹ Second reading speech on the Higher Education Support Amendment Bill 2008, Parliament of Australia (Senate), *Debates*, 27 August 2008, p. 26.

As part of the Building Australia's Future reforms, a 'student learning entitlement' (SLE) was introduced to limit students to the equivalent of seven years of full-time Commonwealth-supported study. Students are allocated a unique identifier (CHESSN) to allow use of their entitlement to be tracked across different institutions, which is reported on by universities to DEEWR on a quarterly basis. The rationale for the SLE appeared to be a concern by the previous Government that there existed a significant cohort of 'professional students' that drifted from institution to institution over a decade or more without ever taking a degree.

In reality, the costs of participation in higher education mean there are now few such students (if indeed there ever were many) and the cost to universities and the Government of administering the SLE far outweighs any savings from rationing places. The *University Reporting Requirements* study was particularly critical of the introduction of the SLE, arguing that:

The SLE does not provide additional funding for institutions, support for students, or significant savings to the Commonwealth (if any), but the associated implementation and reporting costs are substantial.¹²

The report found that only a handful of students would be impacted by the SLE, and that most of these were probably eligible for an extension of their SLE under the Government's rules (e.g. they were undertaking a six year medical degree and had study interrupted by family or personal issues). There is, in other words, no policy objective being served by the SLE, and there are considerable savings that can be achieved from its removal. As the first students subject to the new arrangements will shortly be exhausting their SLE, it is particularly timely to solve this issue now to avoid problematic decisions having to be taken regarding upcoming enrolments.

Recommendation 7: Abolish the student learning entitlement.

Special purpose funding

In addition to core funding under the Commonwealth Grants Scheme, universities receive funding under approximately fifteen discrete Commonwealth grants programs (not including competitive research grants). Some programs, such as the new Education Investment Fund are very large, while others, such as the Students with Disabilities Program, are very small in the overall scope of university revenue. Each grants program serves a worthwhile purpose, but the diversity of objectives, benchmarks and compliance requirements under different programs requires an investment of university resources that is sometimes quite disproportionate to the monetary value involved.

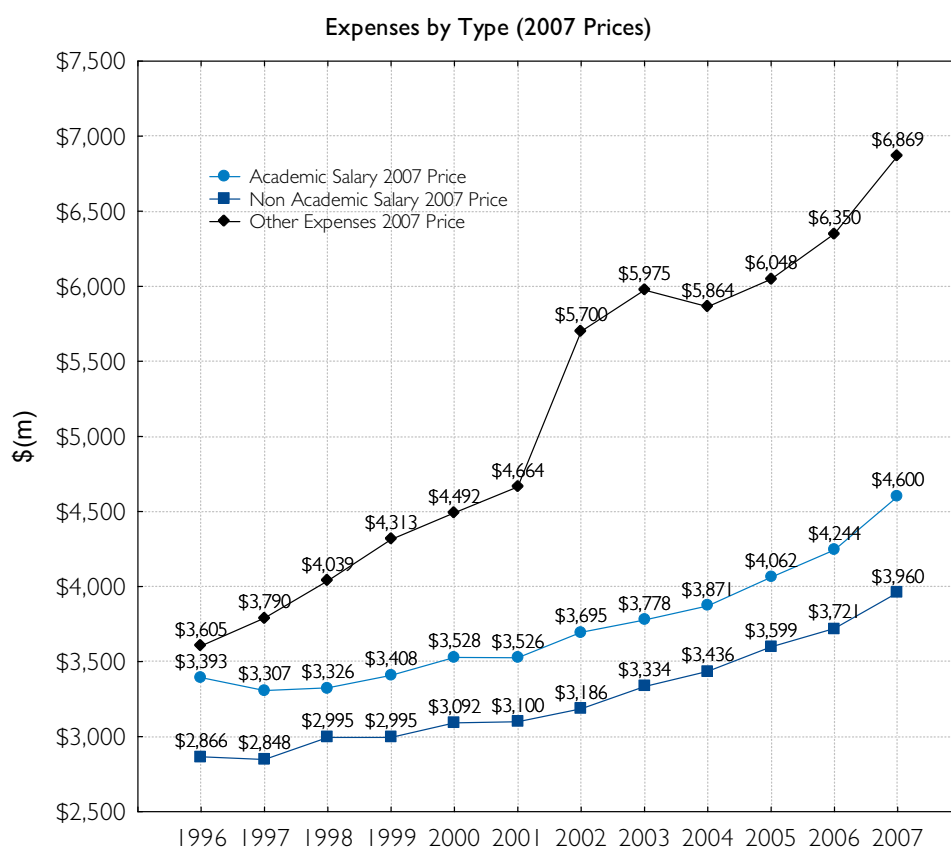
A fundamental result of the increasing number of special purpose programs and their associated reporting requirements has been a steady rise in university administrative costs. Figure 1 overleaf shows that while spending on academic salaries has increased only modestly in the last decade (leading to sharply increased student : staff ratios) the amount spent on 'other expenses' has nearly doubled in real terms. Other factors, such as increasingly expensive scientific equipment, have also contributed, however, the expansion of administrative overheads such as new information management systems is a very significant component, alongside the costs eg marketing, required to raise market revenues in a competitive domestic and global market when government subvention falls as a share of revenue.

The *University Reporting Requirements* study recommended reducing the number of special purpose programs and consolidating the reporting load applying to continuing programs. A similar conclusion was also reached by the Bradley Review. The likely introduction of mission-specific funding provides one opportunity that could be used to pursue these objectives. For example, several smaller programs could be consolidated and supplemented to create two funding pools for 'Equity and Diversity' and

¹² PhillipsKPA, *University Reporting Requirements*, 2006, p. 13.

'Quality and Innovation', with a consolidated set of priorities and benchmarks to be negotiated with each institution.

Figure I: University expenses 1996-2007



Source: DEEVR Finance Statistics 1996-2007; ABS CPI

Although the previous Government claimed that cutting red tape was a key objective of the Backing Australia's Future reforms, the *University Reporting Requirements* study found that 'there is no doubt that reporting requirements on universities have increased as a result of the policy and operational changes flowing from Backing Australia's Future'.¹³ Leading among these changes were the introduction of a number of new sources of special purpose and conditional funding.¹⁴ Moreover, while universities were provided with \$10 million of transitional assistance of to implement the reforms, the study estimated that the actual cost of implementation was over \$50 million. In this context, the Government's response to the Bradley Review will need to be closely scrutinised to ensure that it too does not impose unnecessary additional reporting burdens and inadequately compensate universities for any new measures introduced.

Recommendation 8: Consolidate university special purpose funding into a small number of funding streams to be negotiated and reported against jointly through the triennial planning process proposed in Recommendation 1.

¹³ PhillipsKPA, *University Reporting Requirements*, 2006, p. 2.

¹⁴ Measures introduced through Backing Australia's Future include the Learning and Teaching Performance Fund, the Workplace Productivity Program, the Regional Loading, and the funding conditionality applied to the Higher Education Workplace Requirements and National Governance Protocols.

5. Regulation of research activity

Research and Research Training Management Report

As part of the IAF, universities submit a Research and Research Training Management Report (RRTMR), which serves as an acquittal of the three research block grants administered by the Department of Innovation, Industry, Science and Research. The RRTMR covers not simply acquittal of Commonwealth research grants, but research strategy, quality management, approach to research training, intellectual property management and other issues. There is anecdotal evidence that much of the RRTMR is a paperwork exercise with little policy value, and that differences in the way research outputs are measured make it difficult to make meaningful comparisons between institutions.

The introduction of the Government's new Excellence in Research for Australia (ERA) initiative in 2009 will create a new framework for assessing universities' research performance which has been broadly supported from within the higher education sector. Nonetheless, the ERA will bring a significant new reporting load to universities, and the opportunity should be taken to review the RRTMR to ascertain its usefulness in documenting research performance in the context of the ERA's introduction, and consider areas where the RRTMR can be streamlined to remove the collection of information that does not serve any policy purpose.

Recommendation 9: Review the current format of the Research and Research Training Management Report with a view to shortening and streamlining the content.

Research ethics and research misconduct

Universities are subject to a range of regulation relating to their research activities. These include the Australian Code for the Responsible Conduct of Research, the National Statement on Ethical Conduct in Human Research, the National Principles for Intellectual Property Management and specific legislation applying to certain types of medical and scientific research (e.g. genetic research). In general, these documents have been developed in collaboration with the research community and are supported by universities.

In recent times, a degree of debate has attached to Part B of the Australian Code for the Responsible Conduct of Research ('the Code'), which relates to the management of research misconduct. Consideration is being given by Government as to whether some form of independent body, such as a 'Research Ombudsman', should be instituted. Universities Australia has argued that, despite a handful of high-profile cases, the level of research misconduct allegations is extremely low, and can be dealt with adequately by internal university review mechanisms.

Although universities have experienced some difficulties with implementing Part B of the Code, particularly concerning the relationship between the Code and workplace relations requirements, institutions are working through these issues. The issues certainly do not justify the costs and risks associated with the introduction of an external dispute resolution process. As an alternative, Universities Australia has proposed strengthening the current provisions in the Code, improving data collection and enhancing the transparency of the process.

Recommendation 10: Retain the primary responsibility of universities for consideration of research misconduct allegations when the Government finalises its position on misconduct.

Recommendation 11: Review Part B of the Australian Code for the Responsible Conduct of Research with a view to improving its effectiveness and transparency.

6. Conclusion

Universities are arguably the most over-regulated sector of the Australian economy. The implementation of the Government's response to the Bradley Review makes this an excellent time to revisit the issue of the regulatory burden on higher education and research. At a minimum, Universities Australia seeks that initiatives introduced through the Bradley Review should result in no net increase in university compliance costs. The Productivity Commission's review is well positioned to make an important contribution to this process.

The overall objective is to produce greater efficiencies and all round transparency in public funding of universities by streamlining or removing duplicative and unnecessarily intrusive processes. Implementing the recommendations of this submission will not address all the challenges of higher education today. But it will ensure the most effective use of public funds for teaching and research, while still maintaining a high level of accountability for this expenditure.

Contact Details

Universities Australia would be pleased to provide more information to the Productivity Commission on any of the matters raised in this submission. For further comment, please contact Dr Glenn Withers AO, Chief Executive Officer, by telephone (02) 6285 2104 or email: glenn.withers@universitiesaustralia.edu.au.

Attachment A: Summary of key primary legislation affecting higher education

State and Territory

- Acts of Establishment
- Audit Acts
- Ombudsman Acts
- Freedom of Information Acts
- Protected Disclosure (Whistleblowing) Acts
- Environmental management, OH&S, planning and other generic legislation

Commonwealth

- Higher Education Support Act
- Educational Services for Overseas Students Act
- Migration Act
- Social Security Act
- FMA and Audit Acts (for grants)
- ARC and NHMRC Acts
- Specific research legislation (medical, nuclear, etc)
- Census and Statistics Act
- Quarantine Act
- National security legislation (e.g. Division 102 of Criminal Code)
- Corporations, taxation, workplace relations, telecommunications, environmental management and other generic legislation

Attachment B: Summary of recent additional reporting requirements

Below is a summary of changes that have been introduced since 2005 both to the National Data Collection and other reporting obligations.

Changes to reporting since 2005:

- Student Load Liability data increased from three to four submissions per year
- ATO data - Commonwealth Assisted Students increased from three to four submissions per year
- Student Enrolment data file increased from three to four submissions per year

New files introduced since 2005:

- ATO data - Electronic Commonwealth Assistance file twice a year
- Student OS-Help file submitted twice a year
- Campus file submitted once a year
- Revisions file submitted four times a year
- Commonwealth Scholarship file submitted twice a year. This has been replaced with new scholarship reporting requirements introduced for 2008

New for 2008:

- Continuing scholarship holders submitted twice a year
- CAS Indigenous Payment Scholarship at least twice a year
- All other commencing scholarship data at least twice a year
- Centrelink reporting once a week

Changes for 2009:

- New national data collection for all application data. Proposal for five new files that will need to be submitted at least twice a year
- Two new Scholarship types introduced
- SA-HELP to be introduced pending legislation passing in February
- National Priority for Mathematics, Statistics and Science

Changes to the National Data Collection

As well as the increased volume of reporting the data required in each collection changes on a regular basis. Recent changes for 2008 and 2009 include:

- Additional data for VET credit
- Commonwealth scholarships changes
- Changes to Cohorts
- Transnational Quality Strategy Data Collection

There are currently 90 data element changes to 2008 data collection requirements that require a system update.

Other changes introduced in 2007/2008/2009

- Commercialisation Training Scheme
- Funding cluster changes resulting in significant Band changes for the ANU College of Business and Economics and new transitional arrangements
- Introduction of HEPCAT a new file validation and submission system that all Universities must install and use
- Australian Higher Education Graduation Statement

Other Reporting Requirements

As well as the National Data Collection a number of other reporting requirements are met throughout the year. **These have all been introduced since 2005.**

- Publication and submissions of fees and census data schedule on 1 April and 1 October every year
- CHESSN allocation once a week
- Checking of Student Learning Entitlement, FEE-HELP, OS-HELP and Commonwealth Scholarship entitlements on an ongoing basis through the year
- OS-HELP loan bids October every year
- Commonwealth Scholarship bidding October every year
- Going to Uni website update at least once a year
- Bidding for Courses to be included as Youth Allowance for Postgrads twice a year
- Reporting of variations to fees and census data schedule throughout the year. ANU has made about 100 submissions a year over the last 3 years
- National Code Declaration of Conformity once a year

As well as scheduled reporting requirements universities are required to respond to a number of ad hoc requests from DEEWR including queries on reported data and integrity checks and sector feedback on Government initiatives. Examples include:

- Response to "Establishing a National Data Collection of Applications and Offers for University Places" July 2007
- Verification of OS-HELP student data August 2007
- Request to respond to new Commonwealth Scholarship Guidelines September 2007 and November 2008
- Review of Minimum Indicative Fees for Overseas Students October 2007
- Review of Fee Paying Student data November 2007
- Submission for funds for Australian Higher Education Graduation Statement