



Australian Vice-Chancellors' Committee

the council of Australia's university presidents

(ACN 008 502 930 - ABN 53 008 502 930)

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Mr Gary Banks
Chair, Taskforce on reducing the regulatory burden on business
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Belconnen ACT 2616
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Dear Gary

Thank you for the opportunity to make a submission to the taskforce on reducing the regulatory burden on business. The Australian Vice-Chancellors' Committee (AVCC) advances higher education through voluntary, cooperative and coordinated action. The Committee is non-partisan and exists exclusively for educational purposes. Its continuing aim is to serve the best interests of the universities and, through them, the nation.

Universities fall within the purview of the Taskforce because in many sense they are businesses. Commonwealth funding of universities has fallen to 40% of funding across all institutions. Yet its regulations significantly control all aspects of university operations including the 60% effectively funded privately. Universities are subject to a wide range of regulatory and reporting requirements from Commonwealth, State and Local Governments. Further, as institutions that operate across a wide range of activities almost all general laws and regulations can apply to universities.

As a result universities operate as business-like entities, and face many of the same regulatory and reporting burdens as other businesses. In addition they face many extra burdens due to being providers of higher education. Some of these are set out in the attached document.

At the release of *Our Universities: Backing Australia's Future* changes Dr Nelson committed to reducing red-tape and unnecessary reporting and to reduce the regulation of universities. He later committed to "streamline the amount of bureaucratic red tape that would otherwise apply to the universities themselves."¹

In reality, the implementation of the reforms has led to additional requirements of universities and closer control of key university decisions about the best balance of students and courses to meet the competing needs of students, employers and the community. A significant portion of the additional income to be earned by universities is being lost to administrative overheads.

Because of this the AVCC has recently engaged consultancy firm PhillipsKPA to analyse the current reporting and regulatory burden and compare it to the requirements on universities prior to the Government's reforms. The report will not be completed until March 2006, but the AVCC would be pleased to share any early findings with the Taskforce.

Until we can provide that more detailed analysis to you I provide now with some starting information for your Taskforce to use in the attachment. The attached list gives examples of reporting requirements and regulatory interventions that make life very difficult for universities and take funds away from the

¹ Interview, 18 November 2003

core business of universities - teaching and research. All these requirements cost. They increase administrative costs for universities, divert more staff to external reporting tasks, and discourage diversity in university operations since such differences are in conflict with tight national regulation.

A survey of universities in 2004 showed that on average universities are spending an additional \$1.2 million to implement the changes while the Government has provided only \$250,000 per university. Every single additional requirement adds to that cost. Thus, much of the additional Government investment for 2005 has been lost to meeting system redevelopment costs – costs driven by Commonwealth reporting requirements.

Please do not hesitate to contact should you have any further questions, or wish to discuss this issue further. You can contact me (02) 6285 8204.

Yours sincerely

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

John Mullarvey
Chief Executive Officer

Attachment: Reporting and Regulatory burden on Universities

The Commonwealth regulatory framework, the Institutional Assessment Framework has four main elements:

- *organisational sustainability*. This requires universities to report to the Commonwealth their strategic focus and risk management strategies and submit their strategic plans and annual reports;
- *achievement in education provision*. This requires universities to report to the Commonwealth Teaching & Learning Student Collection providing full enrolment details for all students, including those not funded in any way by the Commonwealth; the Staff Collection; Research and Research Training Management Reports; and the Higher Education Research Data Collection;
- *quality of outcomes*. This requires in addition to the first two elements data on the Graduate Skills Assessment, Course Experience Questionnaire, Graduate Destination Survey, Postgraduate Research Experience Questionnaire; data on the AUQA audit; and detailed project reporting to the ARC and the NHMRC; and
- *compliance* whereby the Commonwealth attempts to monitor universities adherence to the array of laws and regulations imposed by all levels of Government.

With the implementation of *Our Universities: Backing Australia's Future* there are extensive changes to the requirements and restrictions on universities:

- numerous Guidelines spelling out detailed requirements for programs funded by the *Higher Education Support Act 2003*;
- a detailed and frequent monitoring of university enrolment by discipline areas in implementing the new Commonwealth Grant Scheme (CGS);
- a national student identifier. Universities now need to provide personal data on all students, including students already enrolled, to the Department of Education Science and Training and include the additional student identifier in their systems. The identifier is to be used in providing all data relating to students;
- the new student learning entitlement which requires universities to check that future students seeking a Commonwealth supported place have sufficient learning entitlement. The entitlement is, however, so large that very few students will consume all their entitlement and the cost of administration will far outweigh any notional rationing of Commonwealth support for individuals;
- requirements to publish detailed information on student charges and unit details by set dates and in acceptable formats. Such information has always been made available by universities – the change is the standardisation of the information and the restrictions on adding new courses and updating census dates once the publication date has been passed;
- requirements to provide data to a proposed national website which will duplicate existing information available through universities, Tertiary Admission Centres and other information sources that will require universities to create additional data sets;
- changes to the particular information required for each student. These are individually small. Collectively they require extensive reprogramming of university systems and forms to ensure the correct sets of data are collected and reported;
- changes to recording information so that all data is fixed to the unit level rather than course level – for example, previously if a student paid some HECS upfront it was simply deducted from their whole debt where now the university has to ascribe the part payment to particular units;
- unlike the existing arrangements, universities cannot adapt the Commonwealth Assistance Form to localise the language for students in order to reflect the course/program nomenclature used at

many universities. For students who understand their enrolment in terms of course and program as opposed to the legislative language of unit of study and course, this will be confusing. Further, universities also cannot use electronic devices in the form (eg yes/no radio buttons) but must type in the responses, including simple yes/no responses, just as they would be required to do on the hard copy form;

- unintended side effects of the Act that restrict existing university practices: universities face shutting down summer schools unless legislative amendments are passed; existing arrangements for students from one university to take units from another as part of their course are also dependent on legislative amendment;
- governance protocols. Most universities have had to change some aspects of their governance, some quite considerably. All are required to report annually on adherence to the protocols to establish eligibility for increased CGS funding. In addition, the Government has now created an annual voluntary report from members of University Councils to the Government;
- higher education workplace relations requirements (HEWRRs). The HEWRRs are currently being considered by Parliament. They impose on universities an onerous compliance burden, and requirements that are not expected of the wider community;
- the prospect of further changes in data collection and presentation as programs such as the Learning and Teaching Performance Fund and the research quality framework are developed. The changes being considered force universities to distort local surveys and collections designed to suit university needs to provide nationally comparable data.