



University of Technology, Sydney response to

An Indicator Framework for Higher Education Performance Framework Discussion Paper 2009

General Comments on the Indicator Framework

In general, UTS supports the development of the indicator framework as it is capable of providing a coherent, outcomes-oriented assessment of progress towards the achievement of national education policy goals. It is important that this supports the diversity in the sector and individual university missions and strategy, as part of a coherent and aligned compacts and incentives process.

The focus of the framework should be on student learning outcomes rather than inputs. A focus on outcomes will encourage and allow universities to implement strategies that are appropriate to their missions and student profiles. A framework that focuses too heavily on inputs will create incentives for uniformity and risks stifling innovation to the detriment of student outcomes.

UTS notes the Government's commitment to the reduction in universities' reporting load. It is critical that the reporting load created by the framework is limited to the minimum required to support the Government's policy goals and funding programs. It is also important that the reporting load created is assessed, and wherever possible, offset against other reporting requirements.

Framework Principles

UTS strongly supports the inclusion of principles that underpin the choice of indicators. The majority of the principles relate to the statistical validity of the indicators, which are important. A major shortcoming of the principles is the lack of strong recognition of the need to support institutional diversity. The indicator framework must facilitate, without qualification, national **and** institutional goals in order to support the strategic aspects of the compacts process and maintain and extend diversity in the sector.

More importantly, a significant shortcoming is that the principles are focused only on the selection of indicators, not on the broader and more important issue of the aims of the framework itself. UTS strongly believes that there should also be principles of this nature and suggests the following:

- Indicators must be aligned with critical success factors.
- The indicator set must be coherent and manageable with a maximum number of indicators identified.
- Indicators must satisfy a cost-benefit test.
- A commitment to equity and transparency in target setting.

- Consistency with other Government assessment and reporting frameworks (that is, incentives alignment across initiatives).
- Target achievement (or not) needs to be interpreted in context against statistically significant changes in measures, not random variation.

Finally, the ability to assess and monitor the success of all principles requires a statement of how the methodology of the compacts process and indicator framework will be assessed for their effectiveness in promoting the achievement of Government policy goals.

Proposed Framework

The framework proposed in the discussion paper applies the same indicators of performance to all universities, with a level of institutional differentiation only in the specific target set for each indicator. The focus is on assessment of teaching, rather than assessment of learning.

As it stands, the framework provides limited scope to encourage institutional diversity and some elements are likely to create incentives for uniformity by focusing institutions on “what gets measured” rather than what works or is needed in their individual circumstances. It is conceivable that even though indicator targets may be met, overall performance may be static or decline as universities move focus and funding from previously successful strategies to those that support the achievement of targets.

A Refined Framework

In order to preserve diversity of missions UTS proposes a framework that will accommodate both national and institutional goals. The framework would have the following elements:

1. A set of core national performance indicators which all institutions must address (e.g. low SES). These indicators should be the minority of the total set.
2. A set of performance indicators from which institutions must negotiate a minimum number for inclusion in their total performance indicator set. The choice of specific indicators from this set would be justified against each institution’s mission/strategic improvement focus and current performance and improvement priorities. This institution set would include:
 - A set of national data based indicators; and
 - The option of proposing institution specific indicators (where data is verifiable and auditable or from other national data sets not in the first group), that directly relate to specific institution priorities (for example, an institution may be trying to improve some specific area(s) of student experience and wish to have that acknowledged).
3. A maximum total number of indicators drawn from both sets, probably smaller than the total number currently proposed.

Performance indicators set for an institution should (a) not be too small and narrow so as to ensure that institutional performance is assessed on a sufficiently broad range of areas, and (b) be sufficiently customised so that an institution can genuinely pursue the performance targets without diverting effort from its strategic plan.

It is possible, perhaps likely, that some performance areas will be impacted by the achievement of other performance goals. For example, it is possible that a significant increase in the number of low SES students may impact, at least initially, on attrition and success rates. These interdependencies will need to be taken into account in both target setting and in outcome interpretation and rewards.

The current proposed framework is likely to negatively influence compact discussions by focusing discussions exclusively on annual targets that are more like to encourage short-term, financially expedient goals rather than longer-term sector improvement. UTS's proposed framework provides a strong and meaningful platform for bilateral compact discussions which can accommodate both national and institutional goals, and facilitate meaningful strategic engagement over appropriate timelines.

Application of Framework

It is very difficult to fully assess the indicator framework without an understanding of the way in which the indicators will be applied and how they will be related to performance assessment and funding outcomes. For example, the length of time over which indicators might be assessed, the use of trend data, the possible inclusion of previous years' data, and the assessment of individual indicators, sub-sets of indicators or the entire indicator set, all influence how the framework will influence the behaviour of universities. Understanding these interactions is critical to assessing whether the framework is likely to support the achievement of policy goals or produce unintended negative consequences. Significant reservations about a number of the indicators would be ameliorated by a formative application of the indicator set, whereas the summative application proposed by compacts would reinforce the risks and concerns outlined in this submission.

UTS is strongly of the view that assessing annual results against targets is not sound for every indicator and will undermine universities' strategic ability to address policy goals. Appropriate measurement should be used for each indicator, whether that is a single-year target, multi-year average, or trend data. This approach would better account for natural volatility, external influences, and mitigate against the implementation of short term actions to deliver short term results.

The target setting process needs to be more nuanced than currently implied. The discussion paper suggests that all will be "stretch" targets translating to something like a 50% probability of success. A focus on stretch targets alone is unsustainable. There needs to a mix of measures that reflect the characteristics of the indicator and the realistic rate of change. For example, individual measures may reflect the goal of (a) a continuous improvement annual trend, (b) a step function annual improvement (stretch targets), or (c) a maintenance of current performance. The latter is important as it can be used to reward continuing strong areas of performance (performance improvement must plateau at some point), and also take into account that in some environments maintenance of performance is a major outcome.

The general application of stretch targets, with their 50% success probability, will result in the perception that the sector is underperforming when a significant proportion of targets are not met. **Such an incorrect perception is likely to have very negative consequences for the reputation of Australian universities, nationally and internationally, and will make it appear that the Government is not achieving its policy goals when, in fact, there may be significant progress being made.**

Allocation of Funding

The discussion paper indicates that further information will be outlined in early 2010 with regard to how performance relates to allocation of funding. Clearly, there are a number of approaches from a linear relationship of funds and target outcomes, partial or total achievement of the target set (note that in the “refined framework” proposal above it would be possible to set a maximum reward outcome based on the achievement of a set percentage of targets); or funds related to subsets of targets. UTS looks forward to the opportunity to contribute to the development of this aspect of the framework. What should be avoided at all costs is the relative share model evident in other performance related funding schemes (such as the RTS), where there is a significant disjuncture between individual performance outcomes and funding.

Student Participation and Inclusion Indicators

2010 Indicators

UTS generally supports the Student Participation and Inclusion indicators, although it needs to be clarified as to whether the measure is students or EFTSL. However, it should be noted in target negotiations that there is not a direct correlation between a university’s activities to encourage the participation of people from a low SES background and the actual participation rate at **that** university. The breadth and length of programs, especially those involving schools, necessary to encourage people from low SES backgrounds to aspire to higher education diffuses any direct relationship.

The option to identify an additional under-represented group in target negotiations is supported.

UTS notes and supports the development of a new measure of low SES. UTS agrees with the proposal for an interim measure (from the draft HEPPP Guidelines) that uses both SEIFA Education and Occupation Index and Centrelink status. Data collection should be undertaken by DEEWR, not universities, wherever possible to ensure transparency and data integrity.

Future Indicators

UTS agrees that growth in the target areas prior to 2011 should be taken into account, otherwise those universities that have implemented effective strategies earlier will be disadvantaged. In the worst case, not considering earlier performance could encourage some providers to limit current growth in order to maximise early outcomes in a full performance system.

Indicators should only apply to Government policy goals. Universities will continue to collect and use data appropriate to their own contexts and goals in relation to postgraduate coursework and other groups of students.

Student Experience Indicators

2010 Indicators

UTS agrees that the proposed indicators have significant limitations which, if implemented, must be accounted for in target negotiations.

While it is noted in the discussion paper that students who change providers, take leave of absence etc are excluded from the retention rates, there is no suggestion of altering at least some aspects of this data collection in order to better reflect retention across the sector. UTS urges consideration of at least some currently omitted aspects of this indicator, such as students on leave of absence, being included in a more refined measure.

Future Indicators

A new “University Experience Survey” is likely to have the same level of unreliability as current experience surveys used as proxies for the assessment of teaching and learning quality.

The introduction of a new “University Experience Survey” at the end of first semester is liable to produce quite volatile results which do not directly reflect the quality of teaching, learning and support but rather the cultural adjustment of students to the university environment. The data resulting from the survey is likely to be complex to interpret and may not provide any additional information to universities than their early intervention and attrition monitoring programs already do. Therefore, UTS does not support the development of any new survey.

It appears that the proposal for a “University Experience Survey” is in addition to existing student surveys. Students already have survey burn out and response rates will fall if additional survey burdens are introduced.

UTS proposes that DEEWR work with Universities Australia to develop a better measure of teaching and learning quality than student experience surveys, or adopt measures specific to individual universities that reflect the context of the university. Such measures would account for influences such as part-time and full-time load profiles, and academic profiles such as orientation to the professions, that impact upon students’ expectations and experiences at university.

UTS does not support the extension of coverage of the measure to student categories that are not the focus of government policy; that is beyond domestic undergraduate students. UTS will continue to collect and analyse data on all student groups, but these should not be included in the performance indicator framework.

Student Attainment Indicators

2010 Indicators

UTS supports the most direct indicator of student achievement, namely completion. The shortcoming of the current calculation method is acknowledged but as suggested, could be accounted for in individual target negotiations. The definition of full-time and part-time would need to be carefully considered in this context.

If retention rates are applied our comments above on the shortcomings of that indicator should be noted.

Future Indicators

UTS supports the development of a better measure of student completions and agrees that CHESSN would provide appropriate data for this purpose.

Quality of Learning Outcomes Indicators

2010 Indicators

It is UTS's view that the performance goals set for Quality of Learning Outcomes need to reflect worldwide trends in pedagogy which focus on student learning outcomes. The focus on teaching rather than learning ignores the varied sources and experiences from which students learn and the variety of sources from which they obtain information. The focus on university teaching leads to consideration of inputs which are extremely difficult to disaggregate effectively as each university's integration of methodologies for its context is designed to create outcomes appropriate for the specific student profile.

The review of the Australian Qualifications Framework and the foreshadowed focus of TEQSA both reflect the focus on student learning outcomes. It would be retrograde to concentrate on input measures and raises a significant risk of universities being forced into particular teaching modes rather than responding to their student profiles.

UTS rejects the proposed indicator of proportion of staff with a Graduate Certificate in Higher Education. This is a very narrow indicator that does not reflect the quality of the teaching body at any university nor the disciplinary expertise contributed. This proposed indicator is not reflective of the critical success factors in improving the quality of learning outcomes. If applied, and universities attempt to increase the numbers of staff with the qualification, it will simply result in a diversion of critical, qualified resources from the core function of teaching and learning.

While mentioned only in discussion, UTS would also caution against consideration of student-staff ratios as in indicator. There is no empirical evidence that the size of a class impacts learning outcomes except at extremes. Again, it would be retrograde in pedagogical terms to focus universities on this input.

Student satisfaction with generic skills development extracts one relatively narrow aspect of student learning. Profiling this aspect risks universities focusing on it to the detriment of broader dimensions of learning outcomes. As a result, there is a significant risk that universities will "teach to the test" (as has occurred in the United States) with professional education and the attainment of discipline knowledge compromised as a result. This will be detrimental to the productivity gains sought from higher education. A focus on generic skills is also in conflict with developments in the Australian Qualification Framework review where it is proposed that generic skills be embedded in the major learning outcomes dimensions of knowledge, skills and application. As an indicator with a significant lag, negative unintended consequences of such a focus would take considerable time to rectify.

In the short term, UTS would propose using the wider CEQ measures that relate to teaching and learning, not just the generic skills set. While needing review, the CEQ is a tool the sector is already working with and has a body of historical data that will provide useful context for the assessment of improvements in the sector. As noted above, UTS proposes joint DEEWR / Universities Australia development of a better tool for assessing the quality of learning outcomes but as a short term measure, the CEQ has many advantages over the proposed indicators.

The use of graduate employment outcomes as an indicator must be related to the employment market each university operates in and the academic profile of the university in relation to sectors of the employment market. The impact of the local economy on this indicator must be factored in if the indicator is to be meaningful. Trend data must be used for this indicator if it is to be a reasonably valid indicator of a university's performance. The proposed simple % indicator will not be a valid target outcome in such circumstances.

Future Indicators

As indicated above, UTS does not support the use of generic skills as an indicator of the quality of learning outcomes as it is of very limited value in the broad context of learning outcomes. The proposal to use the Graduate Skill Assessment rather than the CEQ compounds the difficulty as it will add considerable cost to the process for apparently very little benefit.

General Comments on Indicators

Future Indicators

UTS supports the development of the performance indicator framework and appreciates the complexity of developing an integrated indicator set that supports the achievement of national policy goals. However, the relevant discussion points appear to show that the development of future indicators is at a very early stage.

Much of the discussion of future indicators relates to variations of data tools for the same indicators. This may be appropriate in some cases, but there would also be value in a fundamental assessment of the most appropriate indicators and tools to support policy goals.

The proposed indicator set (with some exceptions) could be adopted as a practical interim solution in the knowledge that its shortcomings would be addressed by appropriate application in the short term and replaced by a more coherent and effective indicator set in the medium term. Unfortunately, the discussion of future indicators suggests adjustments to the proposed indicator set more than a thorough assessment and development of the most appropriate indicators to support the achievement of policy goals.

Performance Period and Trend Data

The structure of the proposed indicator set suggests that each indicator will be assessed on a single year basis and, therefore, this will equate to a university's performance in the subject year. However, the time scales of the proposed indicators vary greatly across the indicator set. Some data will be derived in the year a university is conducting relevant teaching and learning activities, while other indicators such as graduate employment data have lag periods of three, four or more years to when the activity occurred. The results of the lag indicators cannot be interpreted as current year performance as the university may have significantly

changed its teaching and learning practices in the interim. It is likely and useful that lag indicators be included in the indicator set. However, it is important that their results are interpreted correctly in the context of current activity and overall performance. The way in which indicators will be applied is critical to the effectiveness of the framework overall.

UTS supports the use of an appropriate performance period for each indicator. This may be single years, multi-year averages or trend data. Multi-year averages and trend data will allow the inclusion of previous years' data in the first rounds of performance assessment. This will provide a realistic base to launch the framework and provide recognition for those universities that have already made contributions in specific performance areas.

Student headcount or EFTSL

The discussion paper does not indicate whether the indicators are based on student headcount or EFTSL. If EFTSL is used consideration will need to be given to the impact of flexible study patterns at some universities and reflected in target negotiations.

Definition of Progress Rates

“Progress rates” are referred to in the Student Achievement indicator set. We assume this term refers to “success” or “pass” rates but it would be useful to define the term if it is retained.